DCM SHRIRAM INDUSTRIES LTD.

Annual Report 2017-18

DCM SHRIRAM INDUSTRIES LIMITED

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

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

DCM SHRIRAM INDUSTRIES LIMITED

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

NOTICE

The 27th Annual General Meeting of the Company will be held on Saturday, the 11th August, 2018 at 10.00 A.M. at the Kamani Auditorium, 1, Copernicus Marg (Near Mandi House), New Delhi -110 001, for transacting the following business:

Ordinary Business:

1. **Adoption of Financial Statements**

   To consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31st March, 2018 and the Reports of the Board of Directors and Auditors thereon.

2. **Declaration of Dividend**

   To declare dividend for the financial year ended 31st March, 2018.

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

   To appoint a director in place of Shri K.N. Rao (DIN 06730043), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

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

   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.1.33 lakh plus Service Tax/ GST and out of pocket expenses, if any, fixed by the Board of Directors on recommendation of the Audit Committee for audit of the cost records of the Company by M/s Ramanath Iyer & Co., for the year 2018-19, be and is hereby ratified and confirmed."

5. **Reappointment of Shri Alok B. Shriram, Vice-chairman & Dy. Managing Director**

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

   "RESOLVED THAT pursuant to Sections 196, 197, 198, and Schedule V of the Companies Act, 2013, as amended from time to time and other applicable provisions, if any, of the said Act and/or any other applicable Regulations, and subject to such approvals, if any, required, approval of the Company be and is hereby accorded to the reappointment of Shri Alok B. Shriram, Vice Chairman & Dy. Managing Director, whose present term of office expires on 30.9.2018, for a further period of 5 years w.e.f. 01.10.2018 on the terms and conditions and remuneration as set out in the Explanatory Statement to this Notice."

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

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

6. **Reappointment of Shri Tilak Dhar, Chairman & Managing Director**

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

"RESOLVED THAT pursuant to Sections 196, 197, 198, and Schedule V of the Companies Act, 2013, as amended from time to time and other applicable provisions, if any, of the said Act and/ or any other applicable Regulations and subject to such approvals, if any, required, approval of the Company be and is hereby accorded to the reappointment of Shri Tilak Dhar, Chairman & Managing Director, whose term of office expires on 31.3.2019, for a period of 5 years w.e.f. 01.10.2018 on the terms and conditions and remuneration as set out in the Explanatory Statement to the Notice."

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

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

7. Reappointment of Shri Madhav B. Shriram, Dy. Managing Director

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

"RESOLVED THAT pursuant to Sections 196, 197, 198, and Schedule V of the Companies Act, 2013, as amended from time to time and other applicable provisions, if any, of the said Act and/ or any other applicable Regulations and subject to such approvals, if any, required, approval of the Company be and is hereby accorded to the reappointment of Shri Madhav B. Shriram, Dy. Managing Director, whose term of office expires on 31.3.2019, for a period of 5 years w.e.f. 01.10.2018 on the terms and conditions and remuneration as set out in the Explanatory Statement to the Notice."

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

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

By order of the Board
For DCM SHRIRAM INDUSTRIES LIMITED

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

New Delhi,
May 29, 2018

NOTES:

1. Explanatory Statement, as required under Section 102 of the Companies Act, 2013, is annexed.

2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 01.08.2018 to 11.08.2018 (both days inclusive).

3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IS ATTACHED. A person can act as proxy on behalf of not exceeding fifty (50) Members and holding in the aggregate not more than 10% of the total share capital of the Company.

   The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution / authority, as applicable.

4. A dividend of Rs.4 (40%) per share of Rs.10 has been recommended by the Board of Directors for the year ended 31.03.2018 and subject to the approval of the shareholders at the ensuing AGM, is proposed to be paid on or before 10.09.2018.

5. In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred the unclaimed dividends in respect of the Financial Year 2009-10 to the IEPF in October, 2017. The details are available on the website of the Company i.e. https://www.dcmsr.com.

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

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

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

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

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

9. Electronic copy of the Annual Report for year ending 31.3.2018 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report are being sent by the permitted mode.

10. Electronic copy of the Notice of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to

all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by the permitted mode.

11. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website https://www.dcmsr.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post/ courier, free of cost. For any communication, the shareholders may also send requests to the Company's email id: investorservices@dcmsr.com.

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

13. Voting through electronic means

In compliance with provisions of Section108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide all its members facility to exercise their right to vote at the 27th Annual General Meeting (AGM) by electronic means, as an alternate. Please note that the voting through electronic means is optional.

The voting through electronic means will commence on 07.08.2018 at 10.00 AM and will end on 10.08.2018 at 5.00 PM. The members will not be able to cast their vote electronically beyond the date and time mentioned above. The procedure and instructions for e-voting are as follows :

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

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

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

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

(d) Members whose name appear in the register of members/ beneficial owners as on cut off date i.e. 31.07.2018, can cast their vote on-line from 10.00 AM on 07.08.2018 up to 5.00 PM on 10.08.2018.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18. **Profile of the Director retiring by rotation:** Shri K.N. Rao, was reappointed on the Board as a Director liable to retire by rotation at the AGM held on 24.9.2015. Shri K.N. Rao is holding B. Sc. Engg (Mechanical) Degree and a Post Graduate Diploma in Business Management. He also holds a Diploma in Material Management. He has over 27 years in Company experience and 17 years prior experience before joining the Company. He holds 130 equity shares of Rs.10 each in the Company. He has no other directorships.

None of the other directors or key managerial personnel of the Company or their relative(s) is interested financially or otherwise in the resolution.

Annexure

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

Item No.4

The Board of Directors in their meeting held on 29.5.2018 appointed M/s. Ramanath Iyer & Co., Cost Auditors, 808, Pearls Business Park, Netaji Subhash Place, Delhi – 110034 as Cost Auditors of the Company for the year 2018-19 at a remuneration of Rs.1.33 lakh plus out of pocket expense and taxes as may be applicable, on the recommendation of the Audit Committee, pursuant to Section 148 of the Companies Act, 2013.

The above remuneration to the Cost Auditors, fixed by the Board for the financial year 2018-19, is for ratification and confirmation by the shareholders as required under Rule 14 of the Companies (Audit & Auditors) Rules, 2014.

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

Item Nos.5 to 7

A. Shri Alok B. Shriram, Vice Chairman & Dy. Managing Director, was appointed for a term of 5 years w.e.f. 01.10.2013. Shri Alok B. Shriram is looking after the Rayons Division of the Company. The Board of Directors on the recommendation of the Nomination & Remuneration Committee has reappointed Shri Alok B. Shriram for a further period of 5 years from 01.10.2018 considering his performance, on the terms and conditions given in the statement below, subject to the approval of the shareholders.

B. The Board of Directors, on recommendation of the Nomination & Remuneration Committee has also approved reappointment of Shri Tilak Dhar, Chairman & Managing Director and Shri Madhav B. Shriram, Dy. Managing Director, whose current terms of office expire on 31.3.2019, for a further period of 5 years w.e.f. 01.10.2018, subject to the approval of the shareholders. The Board of Directors has decided to prepone the reappointment of these managerial personnel in order to synchronize the dates of reappointment of these managerial personnel. Such preponement is permitted u/s 196 of the Companies Act, 2013.

The proposed remuneration, other terms and conditions, and particulars of the managerial personnel are as under:

Particulars	Shri Alok B. Shriram (VC & DMD)	Shri Tilak Dhar (CMD)	Shri Madhav B. Shriram (DMD)
Salary (Rs. Lakh/ per month)	5.90	6.00	5.80
Housing	Company maintained accommodation/ 50% HRA	Company maintained accommodation/ 50% HRA	Company maintained accommodation/ 50% HRA
Gas,Water,Electricity,Furniture, Furnishings and house maintenance	Actual	Actual	Actual
Medical expenses (p.a.)	Actual	Actual	Actual
P.A. Insurance	As per Company Rules (APCR)	APCR	APCR
L.T.C./Leave	APCR (Privilege leave not availed will not lapse and may be encashed at the time of cessation of service.)	APCR (Privilege leave not availed will not lapse and may be encashed at the time of cessation of service.)	APCR (Privilege leave not availed will not lapse and may be encashed at the time of cessation of service.)
PF, Gratuity & Superannuation	APCR	APCR	APCR
Club Fees (Admission/ life membership fee not allowed)	2 Clubs	2 Clubs	2 Clubs

Commission on profit * (including remuneration)	3% of net profit as per sec.198 of the Cos. Act, 2013	3% of net profit as per sec.198 of the Cos. Act, 2013	3% of net profit as per sec.198 of the Cos. Act, 2013
Age	57	62	53
Qualification	B.Com.(Hons)	B.Com.(Hons), MBA & CA(Inter)	B.Com.(Hons), MBA
Experience	38 years	38 years	30 years
Other Directorships	- Shriram Midivisana Engg. Pvt. Ltd. - Lily Commercial P. Ltd. - Pee Kay Alkalies P. Ltd. - Quick lithographers P. Ltd. - Synergy Environics Ltd.	- H.R. Travels Pvt. Ltd. - Gentech Chemicals Pvt. Ltd.	- Divine Investments Pvt. Ltd. - Varuna Overseas Pvt. Ltd.
Shareholding in the Company (Equity/Rs.10 each)	8536	11816	66

* Subject to the above limits commission on profit to be decided by the Board but not to exceed overall limits of remuneration u/s 197/ 198 read with Schedule V of the Companies Act, 2013 or any other applicable Regulations.

Other Terms Applicable to the Re-appointments

1. Salary, perquisites and commission/reward to all the managerial personnel shall not exceed 10% of the net profits computed in the manner laid down in Section 198 of the Companies Act, 2013 for all the managerial personnel in any financial year.

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

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

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

5. The re-appointment may be terminated by either party giving to the other six calendar months' notice in writing or lesser notice as may be agreed to. In the event of termination of appointment by the Company, the managerial personnel shall be entitled to compensation in accordance with the provisions of the Companies Act.

   Considering the skill and contributions of the above managerial personnel in managing the affairs of the Company, the Directors recommend the Resolutions for your approval.

   Except Shri Alok B. Shriram (Res.No.5), Shri Tilak Dhar (Res.No.6) and Shri Madhav B. Shriram (Res. No.7), none of the directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolutions.

Interest

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

The Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of your Company for the year ended 31st March, 2018.

From a slow GDP growth of 6.7% in the financial year 2016-17 due to the impact of demonetization, the growth story started falling in place with a GDP growth of 7.4% in the year 2017-18. The growth would have been higher, but for the introduction of GST and its teething problems. The growth is still better than China's which is not a mean achievement. Things are looking up and in the current financial year, the growth rate is expected to be around 7.8%. Implementation of GST provisions has more or less stabilized and as a result the monthly GST collection has started to clock in over a lakh crore of rupees per month. Stable inflation, the measures being taken for ensuring ease of doing business at various levels and the push being given to infrastructure projects should further impact the economy positively. The upward surge in oil prices may off set gains in the economy to some extent.

Regulatory shortcomings in the Banking sector particularly PSBs over the last 5 years reportedly resulted in frauds of over one lakh crore rupees. This coupled with NPAs of over Rs.8 lakh crore, declared so far, are a matter of concern for the economy. These may erode the confidence of the general public in the banking system. The measures taken by the Govt. including the Insolvency and Bankruptcy Code, put in place within record time and improved upon from time to time based on experience of administering the Code, should go a long way in addressing the problem.

Your Company's performance during the year under review was satisfactory despite the adverse conditions faced by the sugar industry from the 3rd quarter onwards due to bumper production and falling sugar prices. The situation continues to be grave with mounting cane arrears. It is hoped that Central and State Governments will take measures to support the industry to tide over the situation, and put in long term stable policies.

Financial Summary

The Company achieved a turnover of Rs.1742 cr. against Rs.1574 cr. in the previous year. The gross profit at Rs.87.96 cr. against Rs.170.31 cr. in the previous year is lower by 48% due to the losses in the sugar business in the last 2 quarters of the year. The net profit at Rs.57.56 cr. as compared to Rs.120.36 cr. in the previous year, was also lower for the same reason. The figures for the previous year were converged to be in line with Ind AS, as the Company adopted Ind AS in preparing the financial statements for the year 2017-18.

Appropriation and Dividend

The Board of Directors is happy to recommend a dividend of Rs. 4 (40%) per equity share of Rs.10 for the year ended 31.3.2018. The payout of dividend for the year under review, inclusive of corporate tax on dividend distribution, is Rs.8.38 cr.

An amount of Rs.207.70 cr, which includes Rs.164.86 cr. brought forward from the previous year, is being carried forward as surplus in the statement of Profit & Loss.

Auditors' Report

There are no qualifications, reservation, or adverse remarks or disclaimer in the Auditors' Report to the members on the Annual Financial Statements for the year ended 31.3.2018.

Secretarial Audit Report

M/s. Chandrasekaran Associates, Company Secretaries, carried out the Secretarial Audit for the year 2017-18 pursuant to Section 204 of the Companies Act, 2013. A copy of their Report in Form MR-3 as per Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as ***Annexure – 1***. There is no qualification in the Report.

THE STATE OF COMPANY'S AFFAIRS

Sugar

During the year Daurala Sugar Works (DSW) produced 2.29 Lakh MT of sugar, highest in any year, by crushing 21.05 Lakh MT of cane as against 1.85 Lakh MT of sugar by crushing 17.29 Lakh MT in the previous year. Sugar recovery in the year at 10.90% was better than 10.72% last year. The improvement in sugar recovery was a reflection of continued efforts made by the factory to identify and popularize the cultivation of high sucrose varieties in cooperation with the farmers.

Supply of power to grid was as planned. Realisation from sale of Renewable Energy Certificates (RECs) was better than expected. As on 31st March, 2018, REC inventory stood largely liquidated due to good demand.

At the start of financial year 2017-18, sugar prices were healthy at around Rs. 3600 per qtl. because of lower sugar stocks. The prices started dropping sharply from December, 2017 in line with the increasing trends of production, estimated at over 31 Million MT for Sugar Season 2017-18, an increase of 53% over the last year. The situation presently is grim with sugar prices ruling around Rs.2700 per qtl. and Industry expecting further losses for the next two years. This has led to storage & liquidity problems resulting in accumulation of cane dues in excess of Rs. 20,000 cr., with Uttar Pradesh alone accounting for about Rs. 12,500 cr.

International sugar prices, which at the start of the year were ranging around US$ 480 per MT, fell to US$ 345 MT by March, 2018 due to anticipated higher production in most sugar producing countries like Brazil, India etc., resulting in a Global surplus of 10 to 11 Million MT.

The Industry and the cane farmers have been representing to the Central and State Governments to arrest the fall in sugar prices. The Government has taken the following steps to address the situation:-

- Import duty increased to 100% from 40%
- Custom duty on sugar exports removed.
- Compulsory export of 2 Million MT under Minimum Indicative Export Quantity (MIEQ) notified; and
- Support for farmers at Rs. 55 per MT of sugarcane purchased by Sugar Mills.

The above steps however have not provided any significant relief in the face of continuing rise in sugar production.

There is a substantial gap between the Fair & Remunerative sugarcane Price (FRP) declared by the Central Government and the State Government Advised Sugarcane Price (SAP), resulting in higher losses for Sugar Mills in Northern India. To bridge the gap, the Industry is requesting the respective State Governments to absorb the differential price. Further, for future the Industry is requesting the State Government to refrain from announcing any SAP, and limit cane price to FRP, in terms of the Rangarajan formula as has been done by Maharashtra & Karnataka and as proposed by Tamil Nadu Government from next year.

Alcohol operations continue to be normal. Most of the production was tied-up with Oil Marketing Companies for admixing with petrol. In our continued efforts to adopt the latest technologies, we are replacing our conventional distillation plant with a modern Multi Pressure Distillation Plant. This would reduce the quantum of effluent generated and would also improve product quality. The same is proposed to be commissioned by September, 2018.

Alcohol prices remained by and large stable. The molasses prices in U.P. have fallen sharply due to higher cane crush and closure of some Distilleries. Our Unit is operating at optimum levels. Since, we largely operate on molasses from our own Sugar Factory, we are not impacted by deviations in molasses prices.

The bottling operations continue to show steady growth and Company is in the process of further augmenting its capacity.

On the operational front, the Unit continued to post good results reflecting in improved efficiency and reduced cost. In the next Season, the Company is taking steps to improve farm productivity and to improve efficiency of the boilers, apart from normal debottlenecking. The Company continues to lay emphasis on improved productivity and operational optimization in all areas of activity.

Chemicals

There was an up-swing in the prospects of Chemicals Business as a result of curtailment/ stoppage of production in China due to clamp down by its Environmental Authorities. It is expected that this situation will continue as Chinese producers will either have to invest significantly in better environmental management (thereby also increasing their operating cost) or shut down.

Consequently, international prices of our main products have improved to more viable level, and profits correspondingly increased.

There was some moderation, however, as our user industry was also adversely affected by lower availability of some of their major inputs they source from China.

Overall the prospects for the Chemicals business look better.

The Company continued its focus on optimizing processes and cost of production through an active R & D programme.

Rayon

Shriram Rayons achieved highest ever export sales for the second consecutive year. The turnover for the year was also highest ever.

With debottlenecking in yarn production capacity and commensurate increase in conversion capacity in textile section, the Unit achieved its highest production level in the year.

The operating margins were under pressure due to strengthening of the Rupee affecting export realization and a steep increase in the price of Caustic Soda, a key raw material.

Nylon Chafer sale increased during the year. The Unit was exploring export markets for the product and achieved a breakthrough during the year. The Unit received regular order during the year.

The capability to use agro-fuel helped the Unit to keep energy cost under control in spite of shortage in coal supply under fuel supply agreement from Coal India. A one MW Solar power plant was installed and operationalized during the year.

The Unit continued receiving appreciation and awards from various agencies for the efforts in improving production, reduction in energy cost, and quality systems.

The Unit kept up efforts for improving effluent and emission controls by upgrading the facilities.

Engineering Projects

As a measure of exploring new avenues, the Company has decided to venture into defence equipment manufacturing. The Company has successfully designed, developed and tested a Light Bullet Proof Vehicle – ZEBU- for use by the Indian Defence and Paramilitary Forces. The vehicle was displayed at DEFEXPO 2018 at Chennai. It is hoped that with the Government of India's `Make in India' initiative and opening up of defence production to private sector, there will be opportunities in the sector. The effort is exploratory.

Material changes and commitments

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

Subsidiary/ Associate Companies

The Company has a non-material wholly owned subsidiary, Daurala Foods & Beverages Pvt. Ltd.(DFBL), which is not carrying on any operations presently. DCM Hyundai Limited (DHL) is an associate company. The required information with regard to the performance and financial position of the subsidiary and associate companies are annexed in Form AOC - I as annexure to the Annual Financial Statements for the year ended 31.3.2018. There has been no change in relationship of subsidiary/ associate companies during the year.

BOARD MEETINGS AND DIRECTORS

Meetings of the Board

During the year 2017-18 five Board meetings were held. The dates of the meetings, attendance, etc., are given in the Corporate Governance Report annexed hereto.

Declaration u/s 149(6) of the Act

All the Independent Directors (IDs) have given declarations u/s 149(6) of the Act confirming that they meet the criteria of independence as laid down under the said Section.

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.

Familiarization Programme for Independent Directors

The Independent Directors of the Company have been on the Board for over 4 years and are fully familiar with its operations. As such no separate familiarization programme was organized during the year.

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

A familiarization programme for IDs laid down by the Board has been posted on the Company's website – https://www.dcmsr.com.

Policy on Board Diversity

The Board of Directors in its meeting held on 30.5.2016 has approved a Policy on Board Diversity, devised by the Nomination & Remuneration Committee (NRC) as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A copy of the same has been posted on the Company's website – https://www.dcmsr.com.

Directors Appointment and Remuneration

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

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

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' herein below. The details of remuneration paid to the directors during the year 2017-18 are given in Form MGT-9 annexed hereto and also in the Corporate Governance Report forming part of this Report.

Changes in Directors or KMP

There has been no change in the composition of the Board of Directors or Key Managerial Personnel during the year 2017-18.

The Board of Directors, on the recommendation of the NRC, has reappointed Shri Alok B. Shriram, Vice Chairman & Dy. Managing Director, whose current term of office expires on 30.9.2018, w.e.f. 1.10.2018 for a further period of 5 years on revised terms and conditions, subject to the approval of the shareholders u/s 196 and other applicable provisions of the Companies Act, 2013 at the ensuing AGM and subject to the provisions of any other Regulations, as may be applicable from time to time.

The Board also on the recommendation of NRC, reappointed Shri Tilak Dhar, Chairman & Managing Director and Shri Madhav B. Shriram, Dy. Managing Director, whose current terms of office expire on 31.3.2019 w.e.f. 1.10.2018 for a further period of 5 years, on revised terms and conditions, subject to the approval of the shareholders u/s 196 and other applicable provisions of the Companies Act, 2013 at the ensuing AGM and subject to the provisions of any other Regulations, as may be applicable from time to time.

The reappointment of Shri Tilak Dhar and Shri Madhav B. Shriram have been advanced by six months as permitted u/s 196 of the Act, with a view to synchronize the dates of reappointment of these three Managerial Personnel.

Annual Evaluation of Board and Directors

As required under the Act and the SEBI (LODR) Regulations, 2015 evaluation of the performance of the IDs, Board as a whole, Executive Directors, the Chairman and the Committees during the year 2017-18 was carried out by the Board of Directors based on the criteria laid down by the NRC. A copy of the `criteria' is annexed as ***Annexure 2*** hereto.

Based on the criteria, the Board reviewed the performance of the Board as a whole with particular reference to structure, quality of deliberations in the meetings, functions, performance of the management and feed back etc. It was concluded that the Board adheres 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. The Board noted that the Committees carried out their functions keeping in view the requirements mandated under the Companies Act/ SEBI (LODR) Regulations pursuant to which they were constituted, effectively. The Board then reviewed the performance of Directors individually and concluded that all of them had given very valuable inputs / contributions in achieving the goals of the Company. It was noted that the Executive Directors performed with utmost responsibility in achieving the operating targets. The Independent Directors contributed greatly by providing valuable inputs and guidance. It was noted with appreciation that the IDs adhered to the Code of Independence as per Schedule IV of the Act and to the restriction with regard to pecuniary relationship with the Company during the period under evaluation. The Board also noted that Shri Tilak Dhar, CMD, continued to lead from the front and appreciated his ability to steer the Company.

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

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

Directors' Responsibility Statement

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

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

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

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

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

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

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

Internal Financial Controls

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

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

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

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

Loans, Guarantees and Investments

The particulars of loans given by the Company are given in Note no.15 of the Stand alone Financial Statements for the year ended 31.3.2018.

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, which have all been redeemed during the year.

Related Party Transactions

There has been no materially significant related party transactions 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.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contracts or arrangements in form AOC -2 does not form part of the Report.

The Board had framed a policy on related party transactions and placed the same on the Company's website https://www.dcmsr.com.

CSR Activities

Pursuant to Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, a report in the prescribed proforma is annexed – ***Annexure 3***. The Company has spent Rs.134.24 lakh on CSR activities during the year as required under the above Section of the Act.

Risk Management

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

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

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

Public Deposits

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

			(Rs./lakh)
I)	Accepted during the year	:	163.00
ii)	Remained unpaid or unclaimed as at the end of the year	:	Nil
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	: }	No

a) at the beginning of the year }
b) maximum during the year }
c) at the end of the year }

iv) The details of deposits which are not in compliance with the requirement of Chapter V of the Act. } Nil

Significant Material Orders Passed by Regulators or Courts or Tribunals

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

Extract of the Annual Return

Extract of the Annual Return for the year 2017-18 in Form MGT-9 is annexed – ***Annexure 4***.

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

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

REMUNERATION POLICY

The Board of Directors in its meeting held on 14.8.2014 had laid down a Remuneration Policy as recommended by the 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 Remuneration Policy is posted on the Company's website https://www.dcmsr.com The salient features of the Policy are given below:

i. Guiding principle

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

ii. Directors

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

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

iii. Key Managerial Personnel and Sr. Management Personnel

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

iv. Other employees

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

Managerial Remuneration

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

Particulars of employees who have drawn remuneration of Rs.102 lakh or more per annum during the year 2017-18 are annexed – ***Annexure 7*** .

Audit Committee

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

Vigil Mechanism

Pursuant to Section 177 of the Act and Regulation 22 of SEBI (LODR) Regulations, 2015, the Board of Directors, on the recommendation of the Audit Committee, adopted a Vigil Mechanism (Whistle Blower Policy). The Policy has been circulated among the employees and also put on the website of the Company.

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.

Unclaimed Shares 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:

	No. of Folios	No. of Shares
Outstanding shares in the suspense account as on 1st April, 2017	6056	83563
No. of shareholders approached for transfer of shares from the Account and no. of shares released during the year 2017-18	7	445
Shares transferred to IEPF as per IEPF Rules 2016	5534	74842
Balance as on 31.3.2018	515	8276

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

Statutory Auditors

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

Cost Auditors

M/s Ramanath Iyer & Co., Cost Accountants, (Regn No.13848), 808, Pearls Business Park, Netaji Subhash Place, Pitampura, Delhi – 110034, who were appointed as Cost Auditors of the Company for the year 2016-17, submitted the Cost Audit report, due for filing on or before 27.9.2017, to the Central Government on 12.9.2017. They have been reappointed as Cost Auditors for the year 2018-19. A resolution for ratification of their remuneration for the year 2018-19, as required under the Companies Act, 2013, forms part of the Notice convening the AGM.

Corporate Governance

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

Anti-Sexual Harassment Policy

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

Acknowledgment

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

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

For and on behalf of the Board

New Delhi,
May 29, 2018

CHAIRMAN

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

Annexure - 1

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, 2018 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, 2018 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 55A;

(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, 2009;
- (d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and Not Applicable
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable

(vi) The Other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on their Sectors/ Business are:

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

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

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

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

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

We further report that,

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

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

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

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

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

For Chandrasekaran Associates
Company Secretaries

Sd/-

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

Date: 22.05.2018
Place: New Delhi

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

Annexure - A

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

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

For Chandrasekaran Associates
Company Secretaries

Sd/-

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

Date: 28.05.2018
Place: New Delhi

Annexure - 2

Criteria for Evaluation of Board as a Whole by all Directors

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

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

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

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

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

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

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

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

ANNEXURE - 3

REPORT ON CSR ACTIVITIES

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

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

   The Policy lays down the manner in which CSR activities covered under Schedule VII of the Companies Act, 2013, will be taken up and implemented by the Company. A copy of the Policy is available on Company's website https://www.dcmsr.com

2. The CSR Committee comprises of Shri Tilak Dhar, CMD (Chairman), Shri Alok B. Shriram, VC & DMD (Member), and Shri S.C. Kumar, Independent Director, (Member).

3. Average net profit of the Company for last three financial years – Rs.66.99 cr.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – Rs.1.34 cr.

5. Details of CSR spent during the financial year
   a) Total amount to be spent for the financial year – Rs.1.34 cr
   b) Amount unspent, if any. - Nil
   c) Manner in which the amount spent during the financial year is detailed below:

(Rs./lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs 1) local area or other 2) Specify the State and District where projects or programs were undertaken.**	**Amount outlay (budget) projects or programs wise**	**Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads**	**Cumulative expenditure upto the reporting period.**	**Amount spent: Direct or through implementing agency**
1	Health Care	Item No.i of Schedule VII of the Cos. Act, 2013	Bangaluru, Karnataka	3.00	1) 3.00	3.00	Bangalore Hospice Trust (Karunashraya)
2	Health care	Item No.i of Schedule VII	Mayur Vihar I, Delhi	2.50	1) 2.50	2.50	Sree Krishna Medical & Research Centre
3	Health care	Item No.i of Schedule VII	Bhalaswa, Delhi	2.88	1) 2.88	2.88	Lung Care Foundation
4	Health care	Item No.i of Schedule VII	Rohini, Delhi	3.75	1) 3.75	3.75	Bansuri Charitable Society
5	Health care - medical camps, medicines, etc	Item No.i of Schedule VII	Daurala, Meerut, UP	13.22	1) 13.22	13.22	Direct
6	Construction of toilet block for girls in a school	Sanitation (Item No.i of Sch.VII)	Daurala, Meerut, U.P.	12.98	1) 12.98	12.98	Direct

(Rs./lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
7	Conservation of environment / natural resources/ rain water harvesting	Conservation of natural resources (Item v of Sch.VII)	Daurala, Meerut, U.P. / Kota/ Delhi	9.82	1) 9.82	9.82	Direct
8	Alleviation of poverty	Alleviation of poverty (Item i of Sch. VII)	Delhi/ Daurala, Meerut, U.P.	2.69	1) 2.69	2.69	Direct / FICCI
9	Support to education of women/ Spl. able children/ library/	Promoting education (Item No.ii of Sch. VII)	Kota, Rajasthan/ Daurala, UP/ Gurugram, Haryana,Noida	27.77	1) 27.77	27.77	Direct / Rotary
10	Promotion of sports	Promotion of sports (Item No.vii of Sch. VII)	Noida, UP/ Delhi	3.77	1) 3.77	3.77	Through PHD/ Golden Green Golf Club/ Direct
11	Prime Ministers National Relief Fund	(Item No.viii of Schedule VII	Delhi	10.00	1) 10.00	10.00	Direct
12	Urdu Promotion/ Rural art	Promotion of Urdu language/ Rural art (Item No.v of Sch.VII)	Delhi	15.11	1) 15.11	15.11	Direct
13	Contribution to the corpus of 2 societies for carrying out CSR activities exclusively.	Sub-para viii of MCA Circular dated 18.6.2014.	Delhi	26.75	1) 26.75	26.75	Implementing Agency.*
	TOTAL			**134.24**	**1) 134.24**	**134.24**	

* Contribution to two Societies' corpus created exclusively for undertaking CSR activities

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

   Not applicable

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

Sd/-	Sd/-
VC & Dy. Managing Director	**Chairman CSR Committee**

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2018

Annexure - 4

Form No. MGT-9

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- L74899DL1989PLC035140

ii) Registration Date: 21.02.1989

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

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

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

vi) Whether listed Company: Yes

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

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

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Sugar*	1072	63.5
2	Industrial Fibres and related products	1399 /13999	21.2
3	Chemicals	2011/ 20119	15.3

* Comprising of sugar, power and alcohol

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

* of equity capital ** of equity and preference capital

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

i) Category-wise Share holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				%age change during the year
	Demat	Physical	Total	%age of Total shares	Demat	Physical	Total	%age of to-tal shares	
A. Promoters									
1) Indian									
a) Individual/HUF	140800	0	140800	0.81	140900	0	140900	0.81	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt.	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	7604583	0	7604583	43.71	7604583	0	7604583	43.71	0
e) Banks/ FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
SubTotal (A)(1)	**7745383**	**0**	**7745383**	**44.52**	**7745483**	**0**	**7745483**	**44.52**	**0**
2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – individuals	0	0	0	0	0	0	0	0	0
c) Bodies corp..	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total share-holding of promoter (A)= (A)(1)+(A)(2)	**7745383**	**0**	**7745383**	**44.52**	**7745483**	**0**	**7745483**	**44.52**	**0**
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	101	4746	4847	0.03	101	50	151	0	-0.03
b) Banks/FI	1850	1991	3841	0.02	1850	1125	2975	0.02	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt	0	0	0	0	0	0	0	0	0
e) Venture capital funds	0	0	0	0	0	0	0	0	0
f) Insurance companies	1331259	0	1331259	7.65	1240679	0	1240679	7.13	-0.52
g) FIIs	0	0	0	0	15472	0	15472	0.09	0.09
h) Foreign venture capital funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	**1333210**	**6737**	**1339947**	**7.7**	**1258102**	**1175**	**1259277**	**7.24**	**-0.46**
2) Non-institutions									
a) Bodies corp.									
i) Indian	5175912	20853	5196765	29.87	4899862	9312	4909174	28.22	-1.65
ii) Overseas									0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1lakh	1783409	899290	2682699	15.42	1909854	571468	2481322	14.26	-1.16
ii) Individual shareholders holding nominal share capital excess of Rs.1 lakh	256863	0	256863	1.48	420534	0	420534	2.42	0.94
c) Others									
- Clearing members	12399	0	12399	0.07	14147	0	14147	0.08	0.01
- IEPF	0	0	0	0	406365	0	406365	2.34	2.34
- Pakstani nationals	43113	0	43113	0.25	43113	0	43113	0.25	0
- NRIs	88346	22144	110490	0.63	101522	16108	117630	0.68	0.05
- Trusts	10778	0	10778	0.06	1392	0	1392	0.01	-0.05
Sub-total(B)(2)	**7370820**	**942287**	**8313107**	**47.78**	**7796789**	**596888**	**8393677**	**48.24**	**0.46**
Total Public shareholding (B)=(B)(1)+(B)(2)	**8704030**	**949024**	**9653054**	**55.48**	**9054891**	**598063**	**9652954**	**55.48**	**0**
C. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**16449413**	**949024**	**17398437**	**100**	**16800374**	**598063**	**17398437**	**100**	**0**

Annexure - 4 (contd.)

(ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		Number of shares	% of total shares of the Company	%of shares pledged / encumbered to total shares	Number of shares	% of total shares of the Company	%of shares pledged / encumbered to total shares	% change in shareholding during the year
1	Versa Trading Ltd.	2224725	12.79	0	2224725	12.79	0	0
2	Bantam Enterprises Pvt. Ltd.	1345320	7.73	0	1345320	7.73	0	0
3	Lily Commercial Pvt. Ltd.	1044323	6.00	0	1044323	6.00	0	0
4	Divine Investments Pvt. Ltd.	682493	3.92	0	682493	3.92	0	0
5	H.R. Travels P.Ltd.	575580	3.31	0	575580	3.31	0	0
6	HI-VAC Wares Pvt. Ltd.	715704	4.11	0	715704	4.11	0	0
7	Quick Litho-graphers Pvt. Ltd.	405280	2.33	0	405280	2.33	0	0
8	Peekay Alkalies Pvt. Ltd.	258419	1.49	0	258419	1.49	0	0
9	Super Wares Pvt. Ltd.	166723	0.96	0	166723	0.96	0	0
10	Gentech Chemicals P. Ltd.	148506	0.85	0	148506	0.85	0	0
11	Tilak Dhar-Karta (L.Bansi Dhar & Sons- HUF)	53916	0.31	0	53916	0.31	0	0
12	Suman Bansi Dhar	56812	0.33	0	56812	0.33	0	0
13	Alok B. Shriram	8536	0.05	0	8536	0.05	0	0
14	Meridian Marketing P. Ltd.	33337	0.19	0	33337	0.19	0	0
15	Divya Shriram	87	0	0	87	0	0	0
16	Urvashi Tilak Dhar	521	0	0	521	0	0	0
17	Karuna Shriram	4346	0.02	0	4346	0.02	0	0
18	Madhav B. Shriram	66	0	0	66	0	0	0
19	Tilak Dhar	11816	0.07	0	11816	0.07	0	0
20	DCM Hyundai Ltd.	4173	0.02	0	4173	0.02	0	0
21	Aditi Dhar	100	0	0	100	0	0	0
22	Akshay Dhar	100	0	0	100	0	0	0
23	Kanika Shriram	4500	0.03	0	4500	0.03	0	0
24	Rudra Shriram	0	0	0	100	0	0	
	TOTAL	**7745383**	**44.52**	**0**	**7745483**	**44.52**	**0**	**0**

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	**7745383**	**44.52**		
Date-wise increase / decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / Transfer/ Bonus / Sweat / equity, etc)				
14.7-2017	100			
At the end of the year (31.3.2018)			7745483	44.52

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2018

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

S.No.	For Each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	%age of total shares of the company	No. of shares	%age of total shares of the company
	At the beginning of the year				
1	HB Stockholdings Ltd.	3894846	22.39	0	0
2	HB Portfolio Ltd.	0	0	3317170	19.07
3	LIC	1331259	7.65	1240679	7.13
4	Pearey Lall & Sons (EP)Ltd.	418478	2.41	418478	2.41
5	Finquest Securites P. Ltd.	0	0	422117	2.43
6	Saraswati Sugar Mills Ltd	265000	1.52	265000	1.52
7	Puran Associates Pvt. Ltd.	210581	1.21	210581	1.21
8	Seetha Kumari	25055	0.14	106284	0.61
9	N. Rangappa	61000	0.35	75000	0.43
10	Radhika Bhandari	48116	0.28	34406	0.2
	Date wise increase/ decrease in share-holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)				
14.4.17	HB Stockholdings Ltd.	-5000		3889846	
28.4.17		-29512		3860334	
5.5.17		-6575		3853759	
19.5.17		-11469		3842290	
7.7.17		-7257		3835033	
14.7.17		-40371		3794662	
21.7.17		-47043		3747619	
4.8.17		-29544		3718075	
11.8.17		-19868		3698207	
8.9.17		-3440		3694767	
15.9.17		-7002		3687765	
22.9.17		-1000		3686765	
6.10.17		-5125		3681640	
13.10.17		-66138		3615502	
20.10.17		-5415		3610087	
27.10.17		-2218		3607869	
3.11.17		-2003		3605866	
24.11.17		-23635		3582231	
1.12.17		-18580		3563651	
8.12.17		-15305		3548346	
15.12.17		-24819		3523527	
22.12.17		-77144		3446383	
29.12.17		-50352		3396031	
5.1.18		-3518		3392513	
12.1.18		-5870		3386643	
19.1.18		-900		3385743	
26.1.18		-36582		3349161	
2.2.18		-31412		3317749	
16.2.18		-3317749		0	
16.02.18	HB Portfolio Ltd	3317170		3317170	
1.12.17	Life Insurance Corpn.	-7066		1324193	
8.12.17		-52992		1271201	
15.12.17		-28148		1243053	
22.12.17		-2374		1240679	
1.12.17	Finquest Securities P. Ltd.	94204		94204	
22.12.17		10000		104204	
29.12.17		106816		211020	
5.1.18		16891		227911	
12.1.18		63240		291151	
19.1.18		10514		301665	
26.1.18		16349		318014	
2.2.18		47977		365991	
9.2.18		9257		375248	
23.2.18		21389		396637	

Annexure - 4 (contd.)

S.No.	For Each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	%age of total shares of the company	No. of shares	%age of total shares of the company
2.3.18		1000		397637	
9.3.18		15760		413397	
16.3.18		5500		418897	
23.3.18		3220		422117	
27.10.17	Seetha Kumari	781		25836	
8.12.17		44011		69847	
15.12.17		21505		91352	
22.12.17		1298		92650	
12.1.18		1480		94130	
16.2.18		3679		97809	
2.3.18		2885		100694	
9.3.18		5590		106284	
2.6.17	N. Rangappa	1000		62000	
23.6.17		2400		64400	
30.6.17		700		65100	
7.7.17		200		65300	
14.7.17		700		66000	
21.7.17		400		66400	
25.8.17		200		66600	
1.9.17		100		66700	
8.9.17		200		66900	
22.9.17		800		67700	
29.9.17		500		68200	
6.10.17		200		68400	
13.10.17		300		68700	
31.10.17		200		68900	
3.11.17		100		69000	
17.11.17		600		69600	
24.11.17		400		70000	
1.12.17		300		70300	
8.12.17		200		70500	
15.12.17		500		71000	
22.12.17		570		71570	
12.1.18		1430		73000	
23.2.18		900		73900	
2.3.18		200		74100	
9.3.18		900		75000	
7.4.17	**Radhika Bhandari**	84		48200	
26.5.17		1550		49750	
2.6.17		1565		51315	
28.7.17		3085		54400	
4.8.17		6		54406	
11.8.17		-5000		49406	
15.9.17		-5000		44406	
29.9.17		-79		44327	
6.10.17		-601		43726	
13.10.17		-9320		34406	
	At the end of the year (or on the date of separation, if separated during the year).				
31.3.18	**HB Stockholdings Ltd.**			0	0
31.3.18	**HB Portfolio Ltd.**			3317170	19.07
31.3.18	**LIC**			1240679	7.13
31.3.18	**Pearey Lal & Sons (EP) Ltd**			418478	2.41
31.3.18	**Finquest Securities P. Ltd.**			422117	2.43
31.3.18	**Saraswati Sugar Mills Ltd**			265000	1.52
31.3.18	**Puran Associates Pvt. Ltd.**			210581	1.21
31.3.18	**Sitha Kumari**			106284	0.61
31.3.18	**N. Rangappa**			75000	0.43
31.3.18	**Radhika Bhandari**			34406	0.2

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

(Rs./lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	40233.76	150.00	494.99	40878.75
ii) Interest due but not paid	–	--	–	---
iii) interest accrued but not due	35.05	3.50	36.63	75.18
Total (i+ii+iii)	40268.81	153.50	531.62	40953.93
Change in Indebtedness during the financial year (net)				
• Addition	872.53	0.00	214.39	1086.92
• Reduction	–	-0.67	–	-0.67
Indebtedness at the end of the financial year				
I) Principal amount	41137.92	150.00	655.49	41943.41
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	3.42	2.83	90.52	96.77
Total (i + ii +iii)	**41141.34**	**152.83**	**746.01**	**42040.18**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs./lakh)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary	Tilak Dhar CMD	Alok B. Shriram VC & DMD	Madhav B. Shriram DMD	K.N. Rao Dir. & CEO (Rayons)	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961.	36.79	36.55	34.16	23.79	131.29
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	10.00	9.41	10.68	4.36	34.45
	(c) Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961	21.00	20.25	19.17	13.72	74.14
2	Stock Option	--	--	--	--	--
3	Sweat equity	--	--	--	--	--
4	Commission: - As % of profit - others, specify (Reward)	153.28 --	155.03 --	157.83 --	-- 10.62	466.14 10.62
5	Others, please specify	--	--	--	--	--
	Total (A)	221.07	221.24	221.84	52.49	716.64
	Ceiling as per Act	Rs.758.60 lakh (being 10% of the Net profit of the Company calculated as per Section 198 of the Companies Act, 2013).				

Annexure - 4 (contd.)

B. Remuneration to other directors:

(Rs./lakh)

S.No.	Particulars of Remuneration	Name of Directors						Total Amount
1	Independent directors	P.R. Khanna	S.B. Mathur	Ravinder Narain	S.C. Kumar	C. Vikas Rao	Kavitha D. Chitturi	
	• Fee for attending Board & Committee meetings	6.00	5.75	2.50	4.50	2.25	2.00	23.00
	• Commission	14.26	13.38	12.50	14.26	10.73	10.73	75.86
	• Others, Please specify	--	--	--	--	--	--	--
	Total (1)	20.26	19.13	15.00	18.76	12.98	12.73	98.86
2	Other Non-Executive Directors	--	--	--	--	--	--	--
	• Fee for attending Board Committee meetings							
	• Commission							
	• Others, Please specify							
	Total (2)							
	Total (B)-(1+2)							98.86
	Total Managerial remuneration							815.50
	Overall Ceiling as per the Act	Rs.834.46 lakh (being 11% of Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013, sitting fee not to be included for the limit.)						

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

(Rs./lakh)

S.No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961.	14.97	20.93	35.90
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	4.39	7.97	12.36
	(c) Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961	--	2.02	2.02
2	Stock Option	--	--	--
3	Sweat equity	--	--	--
4	Commission: - As % of profit - others, specify	--	--	--
5	Others, please specify	--	--	--
	Total	19.36	30.92	50.28

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure - 5

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

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

A. CONSERVATION OF ENERGY

i) Steps taken and impact on conservation of energy :

- Installation of New Evaporator body (semi kestner) to reduce steam consumption in sugar manufacturing process.
- Phased replacement of fluorescent tube lights and street lights with LED lights.
- Installation of new evaporator in Spinbath.
- Replacement of old pumps and motors with energy efficient pumps and motors.
- Installation of capacitors to improve power factor.
- Water consumption reduction/ recycling / re-use measures.
- Installation of high efficiency air screw compressor.
- Energy saving by process equipment optimization.
- Focus on arresting leakages and pressure drops.
- Installation of Vapour absorption system for refrigeration.
- Replacement of shell and tube heat exchanger with more efficient plate heat exchanger.
- Optimizing of evaporator sizing of brine unit thereby reducing specific power consumption.

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

- Company's Daurala Complex utilizes only clean or renewable energy based upon fuels and bio gas for co-generation of steam and power. Surplus green power generated is supplied to the grid.
- Company is producing and supplying almost 80% of its Alcohol production to oil marketing companies for admixing with / replacing petroleum based-fuels.
- Converting of sugar factory and distillery wastes into bio-compost, thereby replacing part of petroleum based fertilizers.
- Utilisation of agro waste as boiler fuel.
- Installation of 1 MW Solar Power Plant.

iii) Capital investment on energy conservation equipments : Rs. 2.63 Cr.

B. TECHNOLOGY ABSORPTION :.

i) Efforts made towards technology absorption :

- Extensive trials for identifying and propogating new sugar cane varieties having high yield and sucrose content.
- Installation of high speed automation sugar weighing and bagging machine.
- Installation of vibro screens for melt filtration.
- Installation of more efficient Triton aerator at Sugar Effluent Treatment Plant (ETP) in place of surface aerator.
- Installation of tertiary treatment at Sugar ETP.
- Installation of Cooling tower for water recycling.
- Installation of Flame-proof electric motors replacing Air motors, Picanol Air Jet looms, Ply Cabling machines with increased number of positions and energy efficient motors.
- Installation of Conductivity Sensor in steam pipe line, Flow meters in pipe lines carrying LP steam and Sulphuric Acid, and control valves for better process regulations.
- Installation of Dissolved Oxygen Analysers in Effluent Treatment Plant and Online analyzer for SOx, NOx & Suspended Particulate Matter (SPM) in Chimneys of Boilers for continuous monitoring and transmission to Rajasthan Pollution Control Board and Central Pollution Control Board.
- Installation of Audio Visual Alarms to detect and arrest leakage / overflow of process liquids.
- Installation of Power Surge Arrestors and Off Delay Timer for smoother operation of equipment.
- New process for improving the quality of by product HCL.
- Trials for improving the processes for Chloro Toluene products.

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

- Increase in sugarcane availability & improvement in Sugar recovery from cane.
- Improved fermentation efficiency, optimization of steam & power consumption, reduction in carbon foot print, lower costs and downtime, reduction in consumption in water & coal, reduction in liquid effluent, a cleaner and safer environment, lower waste generation at source, safe working, increased boiler throughput, and power factor improvement.
- Reduction in weight variation, job simplification, productivity and quality improvement.
- Improvement in quality of treated effluent.
- Reduction in molasses loss and improvement in Sugar yield.
- Purchase of HCL stopped from the market thereby reducing cost.

iii) Particulars of technologies imported during last three years - Nil

iv) Expenditure incurred on Research and Development : Rs. 5.21 cr.

C. FOREIGN EXCHANGE EARNINGS & OUTGO 2017-2018:

- Total Foreign exchange earned Rs. 368.92 cr. and used Rs. 144.47 cr.

Annexure - 6

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

1. Ratio of the remuneration of each director to the median of the employees of the Company for the financial year 2017-18 :

- Shri Tilak Dhar, CMD	- 100 : 1
- Shri Alok B. Shriram, VC & DMD	- 100 : 1
- Shri Madhav B. Shriram, DMD	- 100 : 1
- Shri K.N. Rao, Director & CEO (Rayons)	- 25 : 1
- Shri P.R. Khanna, Ind. Director	- 9 : 1
- Shri S.B. Mathur, Ind. Director	- 8 : 1
- Shri Ravinder Narain, Ind. Director	- 7 : 1
- Shir S.C. Kumar, Ind. Director	- 8 : 1
- Shri C. Vikas Rao, Ind. Director	- 6 : 1
- Smt. Kavitha Dutt Chitturi, Ind. Director	- 6 : 1

2. The percentage increase in remuneration of each Director, CFO and Company Secretary in the financial year 2017-18:

- Shri Tilak Dhar, CMD	- (55.08)
- Shri Alok B. Shriram, VC & DMD	- (55.08)
- Shri Madhav B. Shriram, DMD	- (55.08)
- Shri K.N. Rao, Director & CEO (Rayons)	- 23.21
- Shri P.R. Khanna, Ind. Director	- (48.05)
- Shri S.B. Mathur, Ind. Director	- (48.00)
- Shri Ravinder Narain, Ind. Director	- (52.10)
- Shir S.C. Kumar, Ind. Director	- (50.00)
- Shri C. Vikas Rao, Ind. Director	- (52.00)
- Smt. Kavitha Dutt Chitturi, Ind. Director	- (53.00)
- Shri N.K. Jain, CFO	- 8.11
- Shri Y.D. Gupta, Company Secretary	- 16.20

3. Percentage increase in the remuneration of median employee in the financial year 21.05
4. Number of permanent employees on the rolls of the Company: 2473
5. Average increase in remuneration of employees other than managerial personnel during the year 2017-18 was 28.66%, whereas the average managerial remuneration was decreased by 52.75%. Three of the managerial personnel are entitled to commission on profits, as may be decided by the Board within the limit laid down by the shareholders, apart from salary and perquisites. The Company's profits for the year was substantially lower than the previous year and as such the remuneration of the managerial personnel was also less comparing to last year.

Annexure - 7

Statement of Particulars under Section 197(2) of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 forming part of the Report of Directors for the year ended March 31, 2018.

(A) 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
Dhar, Tilak	Chairman & Managing Director	22758689	B.Com. (Hons.), CA (Inter), MBA	38	08-09-80	62	Manager, DCM Ltd.
Shriram, Alok B.	Vice Chair-man & Dy. Managing Director	22757725	B.Com. (Hons.)	38	01.01.90	57	Dy. General Manager, Shriram Honda Power Equipment Ltd.
Shriram, Madhav B.	Dy. Managing Director	22757714	B. Com. (Hons.), MBA	30	22.05.90	53	Executive Trainee, Nissho Iwai Corporation

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

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

Annexure - 8

CORPORATE GOVERNANCE REPORT

Corporate Governance Philosophy

The Company's Corporate Governance (CG) Policy is based on principles such as conducting the business with integrity and fairness, being transparent with regard to all transactions, making necessary disclosures and decisions, complying with all the applicable laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner. The Company firmly believes and adheres to the need for those in control of the Company to distinguish between personal and corporate interests while managing the Company. For the Company, adherence to Corporate Governance stems not only from the letter of law but also from the inherent belief in doing fair business the right way.

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

The CG Report in respect of the year ended 31.3.2018 is given below:

Board of Directors

The Company’s Board comprises of an ideal combination of executive and non-executive directors, headed by Chairman & Managing Director. Of the 10 directors, 4 are executive directors. Three executive directors represent the promoters. All the non-executive directors are independent directors and are persons of eminence with experience in the fields of finance, law, trade or industry. The Board's composition is in consonance with the CG requirements under Regulation 17 of the LODR Regulations and Section 149(4) of the Companies Act, 2013.

Board Meetings, attendance and other directorships

During the year five Board meetings were held on 23.5.2017, 22.8.2017, 13.12.2017, 13.2.2018 and 23.3.2018. Attendance and other details are given below:

Sl. No	Name of Director	DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM	Other Directorships*	No. of Committee Memberships ** (other companies)	
							Member	Chairman
1	Shri Tilak Dhar	00204912	CMD (Promoter)	3	Yes	NIL	Nil	Nil
2	Shri Alok B. Shriram	00203808	VC & DMD (Promoter)	5	Yes	1	Nil	Nil
3	Shri Madhav B Shriram	00203521	DMD (Promoter)	5	Yes	Nil	Nil	Nil
4	Shri K.N. Rao	06730043	Director & CEO (Rayons)	4	Yes	NIL	Nil	Nil
5	Shri P.R. Khanna	00048800	Non-executive/ Independent	5	Yes	4	3	2
6	Shri S.B. Mathur	00013239	"	5	Yes	9	5	4
7	Shri Ravinder Narain	00059197	"	4	Yes	2	1	Nil
8	Shri S.C. Kumar	00064453	"	5	Yes	Nil	Nil	Nil
9	Shri C. Vikas Rao	06900458	"	4	Yes	Nil	Nil	Nil
10	Mrs. Kavitha Dutt Chitturi	00139274	"	4	Yes	2	2	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 Alok B. Shriram and Shri Madhav B. Shriram are related to Shri Tilak Dhar, CMD.

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

Familiarization programme for independent directors

As the independent directors have been on the Board of the Company for over 4 years and some of them for longer periods they are fully familiar with the operations of the Company. The Board of Directors had laid down a familiarization programme for independent directors, copy of which is placed on the Company's website https://www.dcmsr.com

Audit Committee

Terms of reference

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

The Audit Committee, inter alia, ensures that an effective internal financial control system is in place. During the year 4 meetings of the Audit Committee were held on 23.5.2017, 22.8.2017, 13.12.2017 and 13.2.2018.

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

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

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

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

Nomination and Remuneration Committee

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

During the year one meeting of the Committee was held on 22.8.2017.

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

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

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 web-site of the Company https://www.dcmsr.com

The details of remuneration of executive directors for the year ended 31.3.2018 are given below :

(Rs./lakh)

Whole-time Directors	Salary	Commission/ Reward	Perquisites	Retirement benefits
Shri Tilak Dhar (CMD)	34.95	153.28	29.92	9.44
Shri Alok B. Shriram (VC & DMD)	33.75	155.03	29.68	9.11
Shri Madhav B. Shriram(DMD)	31.95	157.83	29.17	8.63
Shri K.N. Rao [Director & CEO (Rayons)]	22.86	10.62	17.73	6.17

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

Non-executive directors are paid sitting fees for attending the Board and Committee meetings. Presently the sitting fees is Rs.50,000 per Board meeting and Rs.25,000 per Committee meeting. The shareholders in their meeting held on 10.8.2016 accorded their approval for payment of commission on profits of up to 1% of the net profit of the Company, computed in the manner laid down u/s 198 of the Companies Act, 2013, in such amount and proportion as may be decided by the Board of Directors to non-executive directors. The details of the sitting fee and commission paid for the year 2017-18 to non-executive directors are given below. Their shareholding in the Company is also as under:

Non-Executive Directors	Sitting fees (Rs./lakhs)	Commission (Rs./lakhs)	No. of Shares held (equity/ Rs.10 each)
Shri P.R. Khanna	6.00	14.26	960
Shri S.B. Mathur	5.75	13.38	--
Shri Ravinder Narain	2.50	12.50	570
Shri S.C. Kumar	4.50	14.26	--
Shri C. Vikas Rao	2.25	10.73	--
Mrs. Kavitha Dutt Chitturi	2.00	10.73	500

Shri P.R. Khanna, an independent director, has deposited Rs.10 lakhs in his name and Rs.10 lakhs in the name of P.R. Khanna (HUF) and Rs.17.50 lakhs in the name of Mrs. Kiran Khanna, his wife under the Company's public deposit scheme on the same terms as are applicable to the other shareholder depositors of the Company. There are no other pecuniary relationships with the non-executive directors vis-a-vis the Company.

Stakeholders' Relationship Committee

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

During the year one meeting of the Committee was held on 23.3.2018, which was attended by all members. The composition of the Committee is as under :

Name of the Members	Shri P.R. Khanna	Shri Tilak Dhar	Shri Alok B. Shriram	Shri Ravinder Narain
Status	Chairman	Member	Member	Member

All the members of the Committee attended the AGM.

During the year, the Company received 6 shareholders' complaints all of which have been resolved to the satisfaction of the shareholders. No complaint was pending as on 31.3.2018.

General Body Meetings

The last three Annual General Meetings (AGM) were held at New Delhi at 10 A.M. as under:

Financial Year	Date	Venue
2014-2015	24/09/2015	Kamani Auditorium, Copernicus Marg, New Delhi – 110 001
2015-2016	10/08/2016	- Do -
2016-2017	22/08/2017	- Do -

No Special resolution was proposed in the AGMs held in the years 2015, 2016 and 2017.

Postal Ballot

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

Means of communication

The Company publishes quarterly, half-yearly and annual results as required under the LODR Regulations in the prescribed format. The results are published in one English and one Hindi daily. During the year under review the results were published in the Financial Express and the Jansatta. The unabridged version of the results is uploaded on the Bombay Stock Exchange Listing portal, which is available on its web-site, www.bseindia.com. The results are also put on the Company's website https://www.dcmsr.com. 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. The gist of the notice is also published in newspapers. In addition, the Stock Exchange is notified of any material developments or price sensitive information as required under Regulation 30 of the LODR Regulations. Disclosures with regard to shareholding pattern, change in major shareholding, quarterly secretarial capital audit report, CG compliance report, etc. are also sent to the Stock Exchange as required under various Regulations. The Company has a website – https://www.dcmsr.com – in which general information about the Company, Code of Business Conduct and Ethics, Remuneration Policy, Shareholding Pattern, Related Party Transaction Policy, Quarterly/ Annual results, Code of Conduct framed under SEBI (Prohibition of Insider Trading) Regulations, 2015, etc. have been posted. Particulars of unclaimed dividend/ deposits, etc. are also posted on the website for information of investors.

Investor Education and Protection Fund (IEPF)

Ministry of Corporate Affairs had notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7.9.2016. As per the Rules, unclaimed/ unpaid dividends are to be transferred to IEPF at the end of 7 years. The shares in respect of which dividend has not been claimed for 7 consecutive years or more shall also be transferred to the IEPF following the prescribed procedure. The Company had in compliance with the Rules transferred 406365 equity shares held by 27848 shareholders to IEPF in the month of December, 2017. 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.

General Shareholder Information

The AGM will be held on Saturday, the 11th August, 2018 at 10.00 A.M. at Kamani Auditorium, 1, Copernicus Marg (near Mandi House), New Delhi – 110001.

Financial Year – April to March

Date of Book Closure

The Register of members and other share transfer books will remain closed from 1st August, 2018 to 11th August, 2018 (both days inclusive).

Dividend

The Board of Directors has recommended a dividend of Rs. 4 per equity share of Rs.10 (40%) for the year. The dividend on approval by shareholders at the AGM will be paid by not later than 10.09.2018.

Listing on Stock Exchange

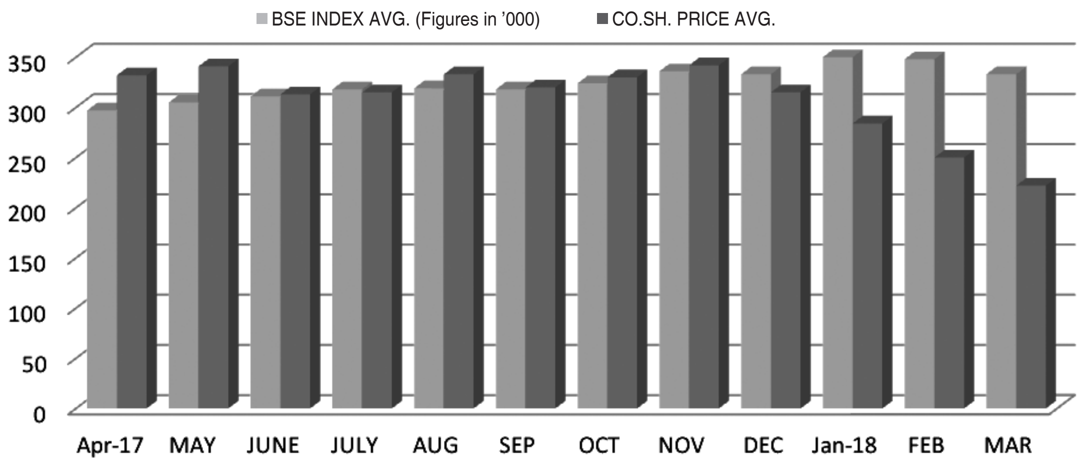
The shares of the Company are listed on Bombay Stock Exchange Limited, P.J. Towers, Dalal Street, Mumbai - 400 001.

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

Market price data (BSE) (Rs.)

Month	April 2017	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. 2018	Feb.	Mar.
High	358.90	385.00	327.75	329.00	365.00	334.00	356.00	370.00	341.00	308.00	272.00	252.75
Low	305.10	297.20	297.50	300.00	300.00	305.00	304.00	314.50	290.00	259.00	228.00	191.10

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



Registrar and Share Transfer Agents and Share Transfer System

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

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

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

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

Distribution of Shareholding

Nominal value of Shareholding			Shareholders		Face Value	
(Rs.)			Number	%age	(Rs.)	% age
Upto		5000	53578	98.39	14245160	8.19
5001	To	10000	425	0.78	3326710	1.91
10001	To	20000	222	0.41	3330860	1.91
20001	To	30000	81	0.15	2031250	1.17
30001	To	40000	30	0.05	1054140	0.60
40001	To	50000	36	0.07	1698760	0.98
50001	To	100000	38	0.07	2793330	1.61
100001	&	Above	44	0.08	145504160	83.63
TOTAL			**54454**	**100%**	**173984370**	**100%**

Shareholding pattern

Category	No. of shares held (in lakh)	Percentage
Promoters	77.45	44.52
FIs, Banks & Mutual funds	12.59	7.24
Others (public)	83.94	48.24
TOTAL	173.98	100.00

Dematerialization of shares

The shares in the Company are under compulsory dematerialized trading. Up to 31.03.2018, 168 lakhs (96.56%) equity shares in the Company have been dematerialized. The Company's ISIN No. is **INE843D01019**.

Outstanding instruments

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

Plant locations

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

Shriram Rayons
Shriram Nagar, Kota (Raj.)

Daurala Organics
Daurala, Meerut (U.P.)

Address for correspondence with the Company:

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

Other Disclosures

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

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

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

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

e) The policies regarding determination of material subsidiary and related party transactions are available on the Company's website https://www.dcmsr.com

f) The policy on dealing with related party transactions is available on the Company's website https://www.dcmsr.com.

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

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.

Confirmation of compliance of Code of Business Conduct and Ethics

I declare that all Board members, Key Managerial and Senior Management personnel have individually affirmed compliance with the Code of Business Conduct and Ethics adopted by the Company during the year 2017-18.

(Tilak Dhar)
May 29, 2018 **Chairman & Managing Director**

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, 2017 to March 31, 2018 as required under Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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

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

We state during the year April 1, 2017 to March 31, 2018, six investor grievances were received and no investor grievances were pending against the Company as per the records maintained by the Company as on 31.3.2018.

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

For Upender Jajoo & Associates,

Company Secretaries in Whole-time Practice

(Upender Jajoo)
New Delhi Member
Date: May 26, 2018 CP No. 14336

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

Sugar

India is the largest consumer and the second largest producer of sugar in the World. The Sugar Industry affects a large number of stakeholders including farmers, workers, consumers, traders, transporters and is therefore, central to the rural economy in many large States including Uttar Pradesh & Maharashtra. It has contributed to the economic upliftment and development of these regions and is reflected in higher purchasing power and standard of living of the connected rural population.

The Industry has evolved into an environmentally friendly sector, wherein nothing goes to waste. The Industry optimally uses the by-product bagasse to produce power for its own needs and exports surplus power to grid. Rapid progress has been made by the Industry during last few years to augment production of ecological friendly Absolute Alcohol for replacing part of the petrol used for automobiles. Further, the nutrient rich press-mud is processed with distillery effluent to produce environmental friendly bio-compost. This has helped the nation in conserving resources and improving the environment, save foreign exchange, reduce oil imports and substitute coal based power, with green power.

The Indian Sugar Industry is still significantly influenced by the monsoons and therefore continues to be cyclical in nature, resulting in periodic surplus and shortages. With improved rainfall during last year, the cane sowing area increased to 49.95 lakh Hectares as against 45.64 lakh Hectares last year, resulting in substantial production increase especially in Maharashtra and Karnataka. Further, because of high yield and recovery of new varieties of sugarcane, production in Uttar Pradesh has also increased. These have resulted in a surge in sugar production during Sugar Season 2017-18 to over 31 Million MT (against 20 Million MT last year) against a consumption level of 25 Million MT per year.

Because of assured good returns compared to other crops, sugarcane planting is on the rise. Consequently, the production in the next Season is estimated to be even higher.

Surplus sugar production / stocks has led to sharp drop in sugar prices to around Rs.2700 per qtl. in April, 2018 resulting in accumulation of cane dues. Surplus at the international level has compounded the problem and exports presently would result in a significant loss to the Industry.

The Central Government has taken some steps to improve the domestic market such as increase in import duty, removal of custom duty on exports, notifying compulsory exports and giving Rs. 55 per MT incentive to farmers on sugarcane purchased by Sugar Mills. However, these steps have not yielded the desired results. For long term sustainability of the Sugar Industry, the Government needs to take further steps to link cane pricing with sugar prices, remove molasses controls etc.

It is our considered view that unless the price of sugarcane is linked to the value of sugar (and perhaps its byproducts), it will be difficult to maintain viability of this important Industry. Taking into consideration the recommendations of numerous commissions set-up by the government in this regard, the last being the Rangarajan Committee, this is of utmost importance. Maharashtra and Karnataka have accepted this methodology, and Tamil Nadu is likely to do so in the next Season. The industry is hoping for Northern States to follow suit.

The alcohol business is expected to perform satisfactorily with alcohol prices remaining steady. The Alcohol Industry has been augmenting its Absolute Alcohol production capacity in line with Central Government's efforts to increase admixing with petrol. This should provide a stable revenue stream as OMCs are now tuned in to the blending program, more so as crude oil prices are again on the rise. Molasses availability would be high for next two years considering higher anticipated sugarcane crush.

The Sugar Season 2017-18 has been difficult and 2018-19 looks to be even more trying for the Industry. Sugar prices would be under pressure till at least 2020, Industry may incur heavy losses and face a liquidity crunch and cane dues are expected to accumulate, unless the Governments take corrective action to address the sugar surplus as also the disparity between cane price and sugar price. The Governments response would dictate sugar price movement and industry viability.

Chemicals

The Chinese competitors for our main products faced a set back as the Environment Authorities there clamped down on all industries in general and Chemical Units in particular, tightening control on compliances.

As a consequence, international prices improved to a more realistic level, because of which the profitability of our chemical business showed significant improvement.

The improvement would have been better, but for problems faced by our User Industry in obtaining some key inputs from China for the same reason.

Going forward we expect the market situation to remain stable or perhaps improve further, as European consumers look at meeting more of their requirements from sources other than China.

The Company continues to undertake debottlenecking its plants based upon growth in demand from its customers.

Rayon

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

The treated fabric produced is used as reinforcement material in manufacture of the tyres. The companies prefer buying treated fabric for use in tyres directly. With well-established product and capability to supply treated fabric, the Unit achieved highest export during the year. The treated fabric constituted 75% of the export volume.

To meet the enhanced market requirement, the Unit increased yarn manufacturing capacity by debottlenecking in various areas and also enhanced conversion facilities in textile commensurately. This was further supplemented by increasing productivity and waste reduction. The Unit achieved highest production during the year with these steps. To meet additional market requirement the Unit is working on plans to further enhance its capacity.

Appreciation in Rupee adversely affected the export realization during the year. This coupled with increase in prices of inputs resulted in lower operating margins. There was substantial increase in price of Caustic Soda by over 30% compared to previous year.

The Unit implemented energy related projects in previous years optimizing energy cost and increase in use of agro-fuel. The Unit received Best Performer award in Textile Sector for PAT Cycle-1 from Bureau of Energy Efficiency, Government of India. The Unit is further modernizing and upgrading Power House to meet energy requirements for enhanced production in a cost effective way. The project envisages installation of another agro-fuel boiler and an extraction cum condensing turbine to increase captive generation, thereby reducing dependence on grid power.

The Unit also increased use of renewable energy by operationalizing a 1 MW Solar Power plant during the year and the same is working satisfactorily, supplementing the grid/ captive power.

The Unit continued its efforts to reduce, recycle and reuse waste and achieved reduction in water consumption.

The Unit is continuously upgrading the monitoring and control system for effluent and gas emissions. The data is being transmitted online to pollution monitoring agencies of the Government.

Material Development in human resources/ industrial relations front

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

Industrial relations remained cordial in all operations during the year. As on 31.3.2018 the total number of employees on the Company's pay roll was 2473.

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

Environment protection

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

The Company's Units have progressively shifted to environment friendly fuels from fossil fuels for power generation. DSW has totally eliminated use of coal and SR continued to use agrowaste fuels in place of fossil fuels to a large extent.

TO THE MEMBERS OF
DCM SHRIRAM INDUSTRIES LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of DCM Shriram Industries Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements")..

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS 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) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the 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 2018, its profits and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these Standalone Ind AS Financial Statements, are based on the previously issued Statutory Financial Statements prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 23 May 2017 and 30 May 2016 respectively expressed an unmodified opinion on those Standalone Financial Statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

2. 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 Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements - Refer Note 41 to the Standalone Ind AS Financial Statements;

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

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

   iv. The disclosures in the Standalone Ind AS Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Financial Statements for the year ended 31 March 2017 have been disclosed.- Refer Note 53 to the Standalone Ind AS Financial Statements.

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

Kaushal Kishore
Partner
(Membership No. 090075)

Place : New Delhi
Date : May 29, 2018

Annexure A referred to in our Independent Auditor's Report to the members of DCM Shriram Industries Limited on the Standalone Ind AS Financial Statements for the year ended 31 March 2018.

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

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

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

Rs. lakh

Land situation	Whether leasehold / freehold	Gross block as at 31 March 2018	Net block as at 31 March 2018
Daurala, Uttar Pradesh*	Freehold	379.04	379.04
Daurala, Uttar Pradesh**	Freehold	44.95	44.95
Kota, Rajasthan*	Leasehold	465.00	465.00
Total		**888.99**	**888.99**

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

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

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

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security made.

(v) According to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended with regards to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Sales-tax, GST, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount involved * (Rs. lakhs)	Amount paid under protest (Rs. lakhs)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2003-06	**1708.75**	**1708.75**
Central Excise Act, 1944	Excise Duty	Additional Commissioner (Appeals)	2012-2014	**51.32**	**-**
		Commissioner (Appeals)	March'12 to February'13 January'14 to December'14 February'09 to November'16 April'10 to December'13 January'14 to October'15 2004 to 2009	**119.90**	**12.58**
Central Excise Act, 1944	Excise Duty	High court	1995-1996 1998-1999 2004-05	**30.76**	**-**
Service Tax Laws-Finance Act, 1994	Service Tax	Customs, Excise & Service Tax Appellate Tribunal	2011-12 July'12 to Mar'14	**360.02**	**16.19**
		Commissioner (Appeals)	April'14 to May'15	**176.29**	**18.93**
		Assistant Commissioner	April'14 to December'15	**10.31**	**-**

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount involved * (Rs. lakhs)	Amount paid under protest (Rs. lakhs)
Sales Tax Laws	Sales Tax	High court	1976-77, 1978-80, 1984-85, 1989-90, 1992-93, 1995-96, 1997-98, 2008-11, 2013-14	**134.30**	**-**
Sales Tax Laws	Sales Tax	Additional Commissioner (Appeal)	2004-05, 2014-15	**7.55**	**0.88**

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

(viii) According to the information and explanations given to us, there is no default existing at the balance sheet date in repayment of loans or borrowings to banks and a financial institution. The Company has neither taken any loans or borrowings from government nor has issued any debentures during the year.

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

(x) According to the information and explanations given to us, no material fraud by the Company and neither any material fraud on the Company by its officers or employees has been noticed or reported during the year.

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

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

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

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

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

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

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

Kaushal Kishore
Partner
(Membership No. 090075)

Place : New Delhi
Date : May 29, 2018

Annexure B to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of DCM Shriram Industries Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Standalone Ind AS Financial Statements of DCM Shriram Industries Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to the Standalone Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI.

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 the Standalone Ind AS Financial Statements was 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 system with reference to the Standalone Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Ind AS Financial Statements, 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 Ind AS 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 system with reference to the Standalone Ind AS Financial Statements.

Meaning of Internal Financial Controls with reference to the Standalone Ind AS Financial Statements

A company's internal financial control with reference to the Standalone Ind AS 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 control with reference to the Standalone Ind AS Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Standalone Ind AS 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 the Standalone Ind AS Financial Statements to future periods are subject to the risk that the internal financial control with reference to the Standalone Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the Standalone Ind AS Financial Statements and such internal financial controls with reference to the Standalone Ind AS Financial Statements were operating effectively as at 31 March 2018, based on the internal control with reference to the Standalone Ind AS 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.

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

Kaushal Kishore
Partner
(Membership No. 090075)

Place : New Delhi
Date : May 29, 2018

Standalone Balance Sheet as at March 31, 2018

Particulars	Note No.	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
ASSETS				
Non-current assets				
Property, plant and equipment	3	**32,986.77**	32,866.04	31,992.85
Capital work-in progress	3	**1,781.71**	330.93	753.28
Intangible assets	4	**100.20**	103.76	124.82
Financial assets				
(i) Investments in subsidiary and associate	5	**613.40**	613.40	613.40
(ii) Loans	6	**494.10**	335.16	319.24
(iii) Other financial assets	7	**159.66**	328.04	129.57
Income-tax assets (net)	8	**1,810.92**	1,181.73	978.37
Other non-current assets	9	**466.39**	465.06	502.77
Total non-current assets		**38,413.15**	36,224.12	35,414.30
Current assets				
Inventories	10	**49,605.54**	55,517.70	51,041.46
Financial assets				
(i) Investments	11	**-**	224.18	927.99
(ii) Trade receivables	12	**16,488.27**	14,798.38	12,354.34
(iii) Cash and cash equivalents	13	**700.86**	504.10	513.52
(iv) Other bank balances	14	**528.25**	408.74	268.68
(v) Loans	15	**321.91**	96.54	107.23
(vi) Other financial assets	16	**886.59**	1,341.56	1,357.50
Other current assets	17	**2,430.60**	3,047.85	2,700.12
Total current assets		**70,962.02**	75,939.05	69,270.84
TOTAL ASSETS		**1,09,375.17**	1,12,163.17	1,04,685.14
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	18	**1,739.84**	1,739.84	1,739.84
Other equity	19	**39,053.54**	34,769.32	24,203.78
Total equity		**40,793.38**	36,509.16	25,943.62
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	20	**3,202.56**	2,528.48	7,234.56
(ii) Other financial liabilities	21	**90.97**	99.81	65.69
Provisions	22	**1,020.96**	832.20	741.14
Deferred tax liabilities (net)	38	**3,206.69**	3,645.12	3,851.01
Other non-current liabilities	23	**32.28**	19.34	7.28
Total non- current liabilities		**7,553.46**	7,124.95	11,899.68
Current liabilities				
Financial liabilities				
(i) Borrowings	24	**36,090.76**	35,538.07	28,661.12
(ii) Trade payables	25	**19,794.95**	25,417.12	27,584.73
(iii) Other financial liabilities	26	**3,378.53**	3,339.53	6,678.99
Other current liabilities	27	**1,355.85**	3,959.50	3,660.15
Provisions	28	**408.24**	274.84	256.85
Total current liabilities		**61,028.33**	68,529.06	66,841.84
TOTAL EQUITY AND LIABILITIES		**1,09,375.17**	1,12,163.17	1,04,685.14
Significant Accounting Policies	2A			

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

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore
Partner
Membership No.: 090075

Place : New Delhi
Date : 29.5.2018

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager & Company Secretary

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

Tilak Dhar
Chairman & Managing Director

Alok B. Shriram
Vice Chairman & Dy. Managing Director

P.R. Khanna
Director

Statement of Standalone Profit and Loss for the year ended March 31, 2018

Particulars	Note No.	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Revenue			
Revenue from operations	29	**1,72,626.43**	1,55,772.38
Other income	30	**1,538.75**	1,590.08
Total revenue		**1,74,165.18**	1,57,362.46
Expenses			
Cost of material consumed	31	**1,02,596.67**	82,027.60
Purchase of traded goods	32	**12,089.89**	10,775.39
Changes in inventories of finished goods and work-in-progress	33	**4,355.26**	(4,064.15)
Excise duty		**2,183.29**	6,332.34
Employee benefits expense	34	**12,630.74**	12,909.43
Finance costs	35	**2,814.32**	3,805.51
Depreciation and amortisation expense	36	**1,924.16**	1,909.36
Other expenses	37	**28,698.72**	28,544.74
Total expenses		**1,67,293.05**	1,42,240.22
Profit before tax		**6,872.13**	15,122.24
Tax expense			
Current tax expense	38	**1,496.34**	3,246.38
MAT credit entitlement		**(368.18)**	-
Deferred tax (credit)/ charge	38	**(11.80)**	(160.46)
		1116.36	3085.92
Profit for the year		**5,755.77**	12,036.32
Other comprehensive income/(expense)			
Items that will not be reclassified to profit and loss			
Re-measurement (loss) on defined benefit obligation		**(168.88)**	(167.68)
Income tax pertaining to items that will not be reclassified to profit and loss		**58.45**	58.03
Total other comprehensive income/ (expense), net of taxes		**(110.43)**	(109.65)
Total comprehensive income		**5,645.34**	11,926.67
Earnings per equity share - basic/diluted (Rs.)	43	**33.08**	69.18
Significant Accounting Policies	2A		

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

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P.R. Khanna
Director

Statement of Standalone Cash Flow for the year ended March 31, 2018

Particulars		For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
A.	**Cash Flows From Operating Activities**		
	Profit before tax	**6,872.13**	15,122.24
	Adjustments for :		
	Depreciation and amortisation expense	**1,924.16**	1,909.36
	Finance costs	**2,814.32**	3,805.51
	Interest income	**(88.28)**	(85.22)
	Interest received against subvention	**(350.42)**	(696.08)
	Deferrred rent amortisation	**1.30**	1.80
	Loss on sale of property, plant and equipments / discarded assets (net)	**43.77**	147.51
	Profit on sale of current investments	**(60.23)**	(17.47)
	Net gain on fair value of investments	**-**	(18.14)
	Operating profit before changes in assets and liabilities	**11,156.75**	20,169.51
	Changes in operating assets and liabilities		
	(Decrease) in trade payables	**(5,622.17)**	(2,167.61)
	(Decrease) / Increase in other financial liabilities	**5.11**	(149.21)
	(Decrease) / Increase in other liabilities and provisions	**(2,437.42)**	252.77
	(Increase) in trade receivables	**(1,689.89)**	(2,444.04)
	Decrease / (Increase) in inventories	**5,912.16**	(4,476.24)
	Decrease / (Increase) in financial assets	**254.70**	(164.61)
	Decrease / (Increase) in other assets	**880.57**	(184.96)
	Cash generated from operations	**8,459.81**	10,835.61
	Net income tax paid	**(2,125.54)**	(3,437.14)
	Net cash from operating activities (A)	**6,334.27**	7,398.47
B.	**Cash Flows From Investing Activities**		
	Capital expenditure on acquisition of items of property, plant and equipments, including capital advances	**(3,862.08)**	(2,697.24)
	Proceeds from sale of property, plant and equipments	**161.32**	44.46
	Purchase of current investments	**(9,964.00)**	-
	Proceeds from sale of current investments	**10,248.41**	739.42
	Changes in other bank balances	**(119.51)**	(140.06)
	Interest received	**72.60**	62.06
	Net cash used in investing activities (B)	**(3,463.26)**	(1,991.36)
C.	**Cash Flows From Financing Activities**		
	Proceeds from long term borrowings	**3,531.13**	318.11
	Repayment of long term borrowings	**(2,992.60)**	(8,099.67)
	Proceeds from current borrowings	**552.69**	6,876.95
	Finance costs paid (net of subvention)	**(2,438.04)**	(3,177.80)
	Dividend paid	**(1,097.21)**	(1,103.89)
	Corporate distribution tax paid	**(230.22)**	(230.23)
	Net cash used in financing activities (C)	**(2,674.25)**	(5,416.53)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**196.76**	(9.42)
	Cash and cash equivalents at the beginning of the year	**504.10**	513.52
	Cash and cash equivalents at the end of the year	**700.86**	504.10
	Component of cash and cash equivalents		
	Balances with scheduled banks:		
	- Current accounts	**668.43**	473.76
	Cash in hand	**32.43**	30.34
	Cash and cash equivalents at the close of the year	**700.86**	504.10

Contd. on next page

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

Rs. lakhs

Particulars	Non-current borrowings*	Current borrowings*
Opening balance as at April 1,2017	**5,415.86**	**35,538.07**
Cash flows during the year	**485.27**	**(1,832.09)**
Non-cash changes due to:		
- Interest accrued (net of subvention)	**58.06**	**2,384.78**
- Transaction costs on borrowings amortised	**21.06**	**-**
Closing balance as at March 31,2018	**5,980.25**	**36,090.76**

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

Notes

1. The standalone cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows ".
2. Amendment to Ind AS 7: Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which requires the entities to provide disclosures that enable users of these standalone financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the standalone financial statements.
3. Refer Note 37 for Corporate Social Responsbility (CSR) expense.

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.:
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Kaushal Kishore
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Membership No.: 090075
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Date : 29.5.2018

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For and on behalf of the Board of Directors
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Tilak Dhar
Chairman & Managing Director

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Vice Chairman &
Dy. Managing Director

P.R. Khanna
Director

Statement of Standalone Changes in Equity for the year ended March 31, 2018

A. Equity share capital

Particulars	(Rs.lakhs)
Balance as at April 1, 2016	1,739.84
Changes in equity share capital during the year ended March 31, 2017	-
Balance as at March 31, 2017	1,739.84
Changes in equity share capital during the year ended March 31, 2018	-
Balance as at March 31, 2018	**1,739.84**

B. Other equity

(Rs.lakhs)

Particulars	Reserve and surplus					Items of Other Comprehensive Income	Total
	Amalgamation reserve	General reserve	Capital redemption reserve	Securities Premium account	Retained Earnings	Remeasurement of defined benefit obligations	
Balance as at April 1, 2016 (refer note 48)	**1,411.38**	**13,465.60**	**0.10**	**3,406.68**	**5,920.02**	**-**	**24,203.78**
Profit for the year	-	-	-	-	**12,036.32**	-	**12,036.32**
Other comprehensive income / (expense) for the year	-	-	-	-	-	**(109.65)**	**(109.65)**
Total comprehensive income for the year	**1,411.38**	**13,465.60**	**0.10**	**3,406.68**	**17,956.34**	**(109.65)**	**36,130.45**
Transactions with shareholders, recorded directly in equity							
Distribution to shareholders							
Interim dividend on equity shares	-	-	-	-	**(608.95)**	-	**(608.95)**
Dividend distribution tax on interim dividend	-	-	-	-	**(123.97)**	-	**(123.97)**
Final dividend on equity shares	-	-	-	-	**(521.95)**	-	**(521.95)**
Dividend distribution tax on final dividend	-	-	-	-	**(106.26)**	-	**(106.26)**
Balance as at March 31, 2017	**1,411.38**	**13,465.60**	**0.10**	**3,406.68**	**16,595.21**	**(109.65)**	**34,769.32**
Balance as at April 1, 2017	**1,411.38**	**13,465.60**	**0.10**	**3,406.68**	**16,595.21**	**(109.65)**	**34,769.32**
Profit for the year	-	-	-	-	**5,755.77**	-	**5,755.77**
Other comprehensive income / (expense) for the year	-	-	-	-	-	**(110.43)**	**(110.43)**
Total comprehensive income for the year	**1,411.38**	**13,465.60**	**0.10**	**3,406.68**	**22,350.98**	**(220.08)**	**40,414.66**
Transactions with shareholders, recorded directly in equity							
Distribution to shareholders							
Dividend on equity shares	-	-	-	-	**(1,130.90)**	-	**(1,130.90)**
Dividend distribution tax	-	-	-	-	**(230.22)**	-	**(230.22)**
Balance as at March 31, 2018	**1,411.38**	**13,465.60**	**0.10**	**3,406.68**	**20,989.86**	**(220.08)**	**39,053.54**

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
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Membership No.: 090075
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Chairman & Managing Director

P.R. Khanna
Director

Alok B. Shriram
Vice Chairman &
Dy. 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, 6th Floor, 18, Barakhamba Road, New Delhi – 110001. The Company is primarily engaged in production and sale of sugar, alcohol, power, chemicals and industrial fibers.

2 Basis of preparation of financial statements

a) Statement of Compliance

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

For all the periods up to and including March 31, 2017, these Standalone Financial Statements were prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act (“Previous GAAP”). As these Standalone Financial Statements for the year ended March 31, 2018 are the Company’s first standalone financial statements prepared in accordance with Ind AS, Ind AS 101, First time adoption of Indian Accounting standards has been applied. An explanation of how the transition to Ind AS has effected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 48.

These Standalone Financial Statements of the Company for the year ended March 31, 2018 are approved by the Company's Audit Committee and by the Board of Directors on May 29, 2018.

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 decimel points rounded off to the nearest thousands, unless otherwise stated.

c) Basis of measurement

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

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

d) Critical accounting estimates and judgements

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

- Recognition and estimation of tax expense including deferred tax- Note 38.
- Assessment of useful life of property, plant and equipment and intangible asset- Note 2A(b) & (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)
- 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.

b) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

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

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

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

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

(ii) Transition to Ind AS

The Company has elected to avail the option under Ind AS 101 by not applying the provisions of Ind AS 16 retrospectively and continue to use the Previous GAAP carrying amount as the deemed cost under Ind AS on the date of transition to Ind AS. Therefore, the Previous GAAP carrying amounts of items of property, plant and equipment as at April 1, 2016 (the Company's date of transition to Ind AS) have been considered as the carrying amounts under Ind AS on April 1, 2016. Refer Note 48.

(iii) 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.

(iv) Depreciation

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

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

c) Intangible assets

(i) Recognition and initial measurement

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

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

(ii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at April 1, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such intangible assets (refer note 48).

(iii) 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.

(iv) Amortisation

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

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

d) Inventories

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

e) Revenue recognition

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

However, sales tax/ value added tax (VAT)/ Goods and Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, inclusive of excise duty and exclusive of Goods and Services tax (GST), Sales Tax, Value Added Taxes (VAT) and is net of returns, allowances, trade discounts and volume rebates.

Revenue is recognized;

- when the significant risks and rewards of ownership have been transferred to the buyer,
- recovery of the consideration is probable,
- the associated costs and possible return of goods can be estimated reliably,
- there is no continuing effective control over, or managerial involvement with, the goods, and
- the amount of revenue can be measured reliably.

The timing of transfers of risks and rewards varies depending on the individual terms of sale.

Rendering of services

Revenue from services rendered is recognized in the Statement of Profit and Loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in the Statement of Profit and Loss.

Dividends

Revenue is recognized when the Company's right to receive the payment is established.

Sale of Renewable Energy Certificates (RECs) is recognised as income on delivery of the RECs to customer's account as evidenced by confirmation of delivery instructions.

f) Income tax

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

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

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

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

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

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

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

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

g) Employee benefits

i) Short-term benefits

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

ii) Defined contribution plans

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

iii) Defined benefit plans

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

Gratuity

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

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

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

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

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

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

iv) Other long-term employee benefits

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

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

h) Government Grants

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

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

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

i) Foreign currency transactions and translation

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

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

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

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

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

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

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

k) Provisions and contingent liabilities

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

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

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

l) Borrowing cost

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

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

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

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

m) Leases

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

Finance leases

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

Operating leases

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

n) Earnings per share (EPS)

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

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

o) Segment reporting

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

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

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

p) Financial instruments

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

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

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

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

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

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

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

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

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

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on:

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

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

q) Cash and cash equivalents

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

r) Research and development

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

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

s) Recent accounting pronouncements

A. Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. Key aspects are as follow:

i. Sales of goods

For the sale of products, revenue is currently recognised when the risks and rewards of ownership are transferred which generally coincides with dispatch of goods. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods.

For certain contracts that permit the customer to return an item, revenue is currently recognised when a reasonable estimate of the returns can be made, provided that all other criteria for revenue recognition are met. If a reasonable estimate cannot be made, then revenue recognition is deferred until the return period lapses or a reasonable estimate of returns can be made.

Under Ind AS 115, revenue will be recognised for these contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made. A refund liability and an asset for recovery will be recognised for these contracts and presented separately in the balance sheet.

ii. Rendering of services

The Company is also in the business of undertaking Job work as well as performing related services. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services. Revenue is currently recognised using the stage-of-completion method.

Under Ind AS 115, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which the Company sells the services in separate transactions.

iii. Transition

The Company plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. April 1, 2018) in retained earnings. As a result, the Company will not present relevant individual line items appearing under comparative period presentation.

B. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment has come into force from April 1, 2018.

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

(Rs.lakhs)

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipment	Vehicles	Office equipment	Furniture and fixtures	Total	Capital work-in-progress
Gross carrying amount									
Deemed cost as at April 1, 2016	789.26	465.35	3,773.86	26,165.72	465.51	259.82	73.33	31,992.85	753.28
Balance as at April 1, 2016	789.26	465.35	3,773.86	26,165.72	465.51	259.82	73.33	31,992.85	753.28
Add: Additions during the year	-	-	269.70	2,373.33	202.97	76.41	21.08	2,943.49	2,599.52
Less: Disposals/Adjustments/ Capitalised during the year	-	-	-	191.21	15.75	2.14	0.81	209.91	3,021.87
Balance as at March 31, 2017	789.26	465.35	4,043.56	28,347.84	652.73	334.09	93.60	34,726.43	330.93
Add: Additions during the year	-		347.73	1,596.90	181.67	60.75	29.56	2,216.61	3,487.13
Less: Disposals/Adjustments/ Capitalised during the year	-	-	2.37	187.99	29.87	4.25	2.26	226.74	2,036.35
Balance as at March 31, 2018	**789.26**	**465.35**	**4,388.92**	**29,756.75**	**804.53**	**390.59**	**120.90**	**36,716.30**	**1,781.71**
Accumulated depreciation									
Balance as at April 1, 2016	-	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	-	163.08	1,493.41	106.39	90.23	25.22	1,878.33	-
Less: Disposals / adjustments during the year	-	-	-	17.94	-	-	-	17.94	-
Balance as at March 31, 2017	-	-	163.08	1,475.47	106.39	90.23	25.22	1,860.39	-
Add: Depreciation expense for the year	-	-	178.84	1,516.89	107.08	60.51	27.47	1,890.79	-
Less: Disposals / adjustments during the year	-	-	-	12.06	8.22	0.80	0.57	21.65	
Balance as at March 31, 2018	**-**	**-**	**341.92**	**2,980.30**	**205.25**	**149.94**	**52.12**	**3,729.53**	**-**
Net carrying value									
As at March 31, 2018	**789.26**	**465.35**	**4,047.00**	**26,776.45**	**599.28**	**240.65**	**68.78**	**32,986.77**	**1,781.71**
As at March 31, 2017	789.26	465.35	3,880.48	26,872.37	546.34	243.86	68.38	32,866.04	330.93
As at April 1, 2016	789.26	465.35	3,773.86	26,165.72	465.51	259.82	73.33	31,992.85	753.28

Notes:

1) For contractual commitments with respect to Capital work-in-progress, refer note 41 (B).
2) For details on PPE mortgaged/charged against borrowings, refer note 20.

4. Intangible assets

(Rs.lakhs)

Particulars	Software
Gross carrying amount	
Deemed cost as at April 1, 2016	**124.82**
Add: Additions during the year	**9.95**
Less: Disposals / adjustments during the year	**-**
Balance as at March 31, 2017	**134.77**
Add: Additions during the year	**29.81**
Less: Disposals / adjustments during the year	**-**
Balance as at March 31, 2018	**164.58**
Accumulated amortisation	
Balance as at April 1, 2016	
Amortisation expense for the year	**31.01**
Less: Disposals / adjustments during the year	**-**
Balance as at March 31, 2017	**31.01**
Add: Amortisation expense for the year	**33.37**
Less: Disposals / adjustments during the year	**-**
Balance as at March 31, 2018	**64.38**
Net carrying value	
As at March 31, 2018	**100.20**
As at March 31, 2017	**103.76**
As at April 1, 2016	**124.82**

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

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Investment in equity instruments- Trade investment			
Unquoted equity instruments			
Daurala Co-operative Development Union Limited			
2 (March 31, 2017: 2, April 1, 2016: 2) equity shares of face value of Rs. 10 each, fully paid up @ (Rs. 20)	**@**	@	@
Investment in equity instruments of subsidiary at cost			
Unquoted equity instruments			
Daurala Foods & Beverages Private Limited			
75,00,000 (March 31, 2017: 75,00,000, April 1, 2016: 75,00,000) equity shares of face value of Rs. 10 each, fully paid up	**447.40**	447.40	447.40
Investments in equity shares of associate at cost			
Unquoted equity instruments			
DCM Hyundai Limited			
19,72,000 (March 31, 2017: 19,72,000, April 1, 2016: 19,72,000) equity shares of face value of Rs. 10 each, fully paid up	**166.00**	166.00	166.00
Sub total	**613.40**	613.40	613.40
Investments in preference shares			
Unquoted instruments			
Preference shares measured at Fair value through Profit and loss			
Versa Trading Limited			
7,00,000 (March 31, 2017: 7,00,000, April 1, 2016: 7,00,000) 5% redeemable non-cumulative preference shares of Rs. 100 each fully paid	**700.00**	700.00	700.00
Impairment in the value of investments			
Versa Trading Limited	**700.00**	700.00	700.00
Sub total	**-**	-	-
Total	**613.40**	613.40	613.40
Aggregate value of non-current unquoted investments (net of impairment)	**613.40**	613.40	613.40
Aggregate amount of impairment in the value of investments	**700.00**	700.00	700.00

6. Loans

(unsecured, considered good unless otherwise stated)

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
To Related Parties			
Security deposits	**42.46**	44.51	46.14
To Parties other than Related Parties			
Security deposits	**425.78**	262.33	244.02
Loans to employees	**23.66**	28.04	29.08
Others	**2.20**	0.28	-
Total	**494.10**	335.16	319.24

7. Other financial assets

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Bank deposits	**6.42**	6.42	25.44
Bank deposits held as margin money or security against borrowings, guarantees and other commitments	**153.24**	321.62	101.23
Others	**-**	-	2.90
Total	**159.66**	328.04	129.57

8. Income tax assets (net)

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Advance income tax (net of provision)	**1,810.92**	1,181.73	978.37
Total	**1,810.92**	1,181.73	978.37

9. Other non-current assets

(unsecured, considered good unless otherwise stated)

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Capital advances	**436.51**	170.56	43.70
Advance other than capital advances			
- Deferred rent	**6.82**	9.58	11.38
- Balance with government authorities	**7.77**	275.08	437.43
- Other advances	**15.29**	9.84	10.26
Doubtful			
Other advances	**1.30**	1.30	1.30
	467.69	466.36	504.07
Less: Loss allowance for advances	**1.30**	1.30	1.30
Total	**466.39**	465.06	502.77

10. Inventories

(Valued at lower of cost and net realisable value)

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Raw material*	**3,805.86**	6,319.78	5,631.88
Work in progress	**1,416.82**	1,372.29	1,257.21
Finished goods**#	**40,278.01**	44,677.80	40,728.73
Stores and spares	**4,104.85**	3,147.83	3,423.64
Total	**49,605.54**	55,517.70	51,041.46

* Includes raw material in transit Rs. 301.71 lakhs (March 31, 2017: Rs. 356.95 lakhs, April 1, 2016: Rs. 25.15 lakhs)

** Includes finished goods in transit Rs. 263.13 lakhs (March 31, 2017: Rs. 686.24 lakhs, April 1, 2016: Rs. 581.07 lakhs)

The write-down of inventories to net realisable value during the year amounted to Rs. 6,686.93 lakhs (31 March 2017: Rs. Nil, 1 April 2016: Rs. Nil). The write-down is included in changes in inventories of finished goods.

11. Investments

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Investment in mutual funds measured at fair value through profit and loss			
Unquoted investment			
Nil (March 31, 2017: 70353.178, April 1, 2016: 146900.049) Birla Sunlife Saving Fund - Growth Regular Plan Units of Rs. 10 each	**-**	224.18	430.22
Nil (March 31, 2017: Nil, April 1, 2016: 800234.423) HSBC Ultra Short Term Bond Fund - Growth units of Rs.. 10 each	**-**	-	106.97
Nil (March 31, 2017: Nil, April 1, 2016: 1572327.044) HSBC Income Fund - Short Plan Growth units of Rs.. 10 each	**-**	-	390.80
Total	**-**	224.18	927.99
Aggregate value of current unquoted investments	**-**	224.18	927.99

12. Trade receivables

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Secured, considered good	-	-	-
Unsecured, considered good	**16,488.27**	14,798.38	12,354.34
Doubtful	**29.97**	29.97	39.33
	16,518.24	14,828.35	12,393.67
Less : Loss allowance for trade receivables	**29.97**	29.97	39.33
Total	**16,488.27**	14,798.38	12,354.34

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

13. Cash and cash equivalents

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Balances with banks			
- On current accounts	**668.43**	473.76	480.50
Cash on hand	**32.43**	30.34	33.02
Total	**700.86**	504.10	513.52

14. Other bank balances

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Deposits with original maturity of more than three months but upto twelve months			
- in deposit accounts	**45.35**	103.59	126.74
- earmarked deposits held as margin money or security against borrowings, guarantees and other commitments	**151.43**	62.48	18.19
Earmarked deposits with original maturity of more than twelve months	**191.70**	116.87	37.11
Earmarked balances with banks - unpaid dividend accounts	**139.77**	106.08	79.07
Other earmarked deposits	**-**	19.72	7.57
Total	**528.25**	408.74	268.68

15. Loans
(unsecured, considered good unless otherwise stated)

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
To Parties other than Related Parties			
Security deposits	**0.02**	0.02	1.20
Loans to employees (including accrued interest)	**48.29**	3.00	5.95
Inter-corporate deposits *	**200.00**	-	-
Others	**73.60**	93.52	100.08
Total	**321.91**	96.54	107.23

* During the year, the Company has given an inter-corporate deposit of Rs. 200 lakhs at market rate of interest to a party for its operational requirement which is receivable on demand as on March 31, 2018.

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

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Interest accrued on term deposits	**58.21**	42.53	19.37
Unbilled revenue	**663.49**	714.33	637.01
Claims receivable	**99.99**	584.54	626.75
Others	**64.90**	0.16	74.37
Total	**886.59**	1,341.56	1,357.50

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

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Advances to contractors	**447.80**	620.76	414.60
Other advances			
- Advance to employees	**23.04**	21.04	17.44
- Balance with government authorities	**1,658.00**	2,049.19	1,878.49
- Prepaid transaction cost	**32.68**	-	1.98
- Prepaid expense	**170.99**	186.23	154.99
- Others	**98.09**	170.63	232.62
Total	**2,430.60**	3,047.85	2,700.12

18. Equity share capital

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
a) Authorised			
6,50,00,000 (March 31, 2017: 6,50,00,000, April 1, 2016: 6,50,00,000) equity shares of Rs. 10 each	**6,500.00**	6,500.00	6,500.00
b) Issued, subscribed and fully paid-up			
1,73,98,437 (March 31, 2017: 1,73,98,437, April 1, 2016: 1,73,98,437) equity shares of Rs. 10 each fully paid-up	**1,739.84**	1,739.84	1,739.84

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

Particulars	**As at 31.03.2018**		As at 31.03.2017		As at 01.04.2016	
	Number of shares	**Amount Rs. lakhs**	**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	1,73,98,437	1,739.84
Add: Shares issued during the year	**-**	**-**	-	-	-	-
At the end of the year	**1,73,98,437**	**1,739.84**	1,73,98,437	1,739.84	1,73,98,437	1,739.84

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

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

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

Particulars	**As at 31.03.2018**		As at 31.03.2017		As at 01.04.2016	
	Number of shares	**% of holding**	**Number of shares**	**% of holding**	**Number of shares**	**% of holding**
Bantam Enterprises Private Limited	**13,45,320**	**7.73%**	13,45,320	7.73%	13,45,320	7.73%
HB Portfolio Limited	**33,17,170**	**19.07%**	-	-	-	-
HB Stockholdings Limited	**-**	**-**	38,94,846	22.39%	43,46,615	24.98%
Life Insurance Corporation of India	**12,40,679**	**7.13%**	13,31,259	7.65%	13,31,259	7.65%
Lily Commercial Private Limited	**10,44,323**	**6.00%**	10,44,323	6.00%	10,44,323	6.00%
Versa Trading Limited	**22,24,725**	**12.79%**	22,24,725	12.79%	22,24,725	12.79%

19. Other Equity

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs
a. Amalgamation reserve		
Balance as at the beginning and at the end of the year	**1,411.38**	1,411.38
b. General reserve		
Balance as at the beginning and at the end of the year	**13,465.60**	13,465.60
c. Capital redemption reserve		
Balance as at the beginning and at the end of the year	**0.10**	0.10
d. Securities Premium account		
Balance as at the beginning and at the end of the year	**3,406.68**	3,406.68
e. Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	**16,485.56**	5,920.02
Add: Profit for the year	**5,755.77**	12,036.32
Items of other comprehensive income/ (expense) recognised directly in retained earnings		
Remeasurement of post employment benefit obligation, net of tax**	**(110.43)**	(109.65)
Less: Appropriations		
Interim dividend on equity shares [Dividend per share Rs. Nil (March 31, 2017: Rs. 3.50)]*	**-**	(608.95)
Tax on interim dividend *	**-**	(123.97)
Dividend on equity shares [Dividend per share Rs. 6.50 (March 31, 2017: Rs. 3.00)] *	**(1,130.90)**	(521.95)
Tax on dividend *	**(230.22)**	(106.26)
Balance at the end of the year	**20,769.78**	16,485.56
Total	**39,053.54**	34,769.32

Nature and purpose of reserve

a. Amalgamation reserve

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

b. General reserve

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

c. Capital redemption reserve

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

d. Securities premium reserve

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

* The Board of Directors have proposed a final dividend of Rs. 4.00 per share for the financial year 2017-18 (2016-17 - Rs. 6.50 per share) aggregating to Rs. 837.62 lakhs (including corporate dividend tax). The proposed dividend for 2017-18 is subject to approval of shareholders in the ensuing Annual General Meeting and has not been considered in these Standalone Financial Statements.

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

20. Borrowings

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Secured loans			
Term loans from banks	**4,969.62**	4,845.69	12,229.31
Term loans from others	**227.54**	-	360.99
Unsecured loans			
Public Deposits	**655.49**	494.99	476.59
	5,852.65	5,340.68	13,066.89
Less: Current maturities of borrowings	**2,650.09**	2,812.20	5,832.33
Total	**3,202.56**	2,528.48	7,234.56

Details of current maturities of Non-Current Borrowings:

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Secured loans			
Term loans from banks	**2,370.79**	2,812.20	5,238.09
Term loans from others	**28.44**	-	360.99
Unsecured loans			
Public Deposits	**250.86**	-	233.25
	2,650.09	2,812.20	5,832.33

Repayment terms and security disclosure for the outstanding borrowings as at March 31, 2018:

From banks:

Secured borrowings:

a) Nil (March 31,2017: Rs.450.53 lakhs, April 01,2016: Rs.807.98 lakhs), Rs.414.30 lakhs (March 31,2017: Rs.627.55 Lakhs, April 01,2016: Rs.835.91 lakhs), Rs.2461.97 lakhs (March 31,2017: Nil, April 01,2016: Nil), Nil (March 31,2017: Nil, April 01,2016: Rs.623.26 lakhs) and Rs.634.43 lakhs (March 31,2017: Nil, April 01,2016: Nil) currently carrying interest between 8.95% p.a. to 10.60%, repayable in 0, 8, 16, 0 and 16 quarterly installments respectively, were/are secured by a first mortgage and charge on all the immovable and movable properties of the Company excluding all assets of Daurala Organics, a unit of the Company, subject to prior charges created / to be created in favour of the Company's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of first charge holders for their respective term loans.

b) Nil (March 31,2017: Rs.279.60 lakhs, April 01,2016: Rs.558.63 lakh), Nil (March 31,2017: Rs.308.35 lakhs, April 01,2016: Rs.513.05 lakhs) and Nil (March 31,2017: Nil, April 01: Rs.119.93 lakhs) were secured by a first charge on specific movable assets of Shriram Rayons, a unit of the Company.

c) Nil (March 31,2017: Rs. 120.50 lakhs, April 01,2016: Rs. 282.44 lakhs) was secured by a first mortgage and charge on all the immovable and movable properties (save and except book debts) of Daurala Organics, a unit of the Company, both present and future, excluding the assets exclusively charged 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

d) Rs. 632.51 lakhs (March 31,2017: Rs. 1210.89 lakhs, April 01,2016: Rs. 1893.59 lakhs), Rs. 84.86 lakhs (March 31,2017: Rs. 163.19 lakhs, April 01,2016: Rs. 235.00 lakhs) and Nil (March 31,2017: Nil, April 01,2016: Rs.1992.09 lakhs) carrying interest of 12% p.a., repayable in 12, 13 and 0 monthly installments respectively, were/are secured by a residual charge on fixed assets of sugar factory at Daurala Sugar Works, a unit of the Company.

e) Rs. 519.59 lakhs (March 31,2017: Rs. 1034.20 lakhs, April 01,2016: Rs. 1556.38 lakhs) carrying interest of 10.65% p.a., repayable in 4 quarterly installments, is secured by a first mortgage and charge on all the immovable and movable properties of the Company excluding all assets of Daurala Organics, a unit of the Company, subject to prior charges created / to be created in favour of the Company's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of first charge holders for their respective term loans and 2nd pari-passu charge on all current assets of sugar division of the Company excluding stocks pledged with Distt. Co-operative Banks.

f) Nil (March 31,2017: Rs. 320.64 lakhs, April 01,2016: Rs. 435.46 lakhs) was secured by a first mortgage and charge on all the immovable and movable properties (save and except book debts) of Daurala Organics, a unit of the Company, subject to prior charges created / to be created in favour of the Company's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created / to be created in favour of first charge holders for their respective term loans and exclusive charge on assets acquired / to be acquired out of the loan in Distillery and Chemical divisions of Daurala Sugar Works and Shriram Rayons, units of the Company.

g) Rs.197.00 lakhs (March 31,2017: Rs. 296.23 lakhs, April 01,2016: Rs. 320.33 lakhs) carrying interest of 9.40% p.a., repayable in 8 quarterly installments, is secured by a first charge on specific movable assets of Distillery division of Daurala Sugar Works, a unit of the Company.

h) Nil (March 31,2017: Nil, April 01,2016: Rs. 202.09 lakhs) was secured by a first pari-passu charge on entire fixed assets of the Company, both present and future, excluding the assets exclusively charged and those pertaining to Daurala Organics, a unit of the Company, subject to prior charges created / to be created in favour of the Company's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created / to be created in favour of existing first charge holders for their respective term loans / debentures. Also exclusive charge on assets to be acquired in Daurala Organics, a unit of the Company.

i) Nil (March 31,2017: Nil, April 01,2016: Rs.1,000.00 lakhs) and Nil (March 31,2017: Nil, April 01,2016: Rs.801.06 lakhs) were secured by a first mortgage and charge on all fixed assets of Sugar factory at Daurala Sugar Works, a unit of the Company, subject to prior charges created / to be created in favour of the Company's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of first charge holders for their respective term loans.

j) Rs. 24.96 lakhs (March 31,2017: Rs. 34.01 lakhs, April 01,2016: Rs. 52.11 lakhs) currently carrying interest of 10.45% p.a., repayable in 30 monthly installments, is secured by hypothecation of specific assets.

From others:

Secured borrowings:

a) Nil (March 31, 2017: Nil, April 1, 2016: Rs. 360.99 lakhs) was secured by an exclusive second charge on immovable and movable assets of sugar factory at Daurala Sugar Works, a unit of the Company.

b) Rs.227.54 lakhs (March 31,2017: Nil, April 01,2016: Nil) carrying interest of 4.25% p.a., repayable in 8 half yearly installments, is secured by a first pari-passu charge on immovable and movable properties of sugar Factory at Daurala Sugar Works, a unit of the Company.

Public deposits:

Unsecured borrowings:

Rs.655.49 lakhs (March 31,2017: Rs. 494.99 , April 01,2016: Rs. 476.59), carrying interest of 9.5% to 10.5% p.a., is currently repayable after 3 years from the date of acceptance of deposits.

The Company's exposure to interest rate risks related to above financial liabilities is disclosed in Note 46.

21. Other financial liabilities

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Interest accrued but not due on borrowings	**30.83**	36.63	2.35
Deposits from contractors and others	**9.98**	10.37	10.29
Others	**50.16**	52.81	53.05
Total	**90.97**	99.81	65.69

22. Provisions

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Provision for employee benefits (Refer note 44)			
- Gratuity	**179.79**	-	-
- Compensated absences	**741.17**	732.20	641.14
Provision for contingencies*	**100.00**	100.00	100.00
Total	**1,020.96**	832.20	741.14

* Provision for contingencies of Rs. 100 lakhs (March 31, 2017: Rs. 100 lakhs, April 1, 2016: Rs. 100 lakhs) represents the maximum possible exposure on ultimate settlement of issues relating to reorganisation arrangement of the Company.

23. Other non-current liabilities

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Others	**32.28**	19.34	7.28
Total	**32.28**	19.34	7.28

24. Borrowings

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Secured loans			
From banks - loans repayable on demand*	**35,940.76**	35,388.07	28,511.12
Unsecured loans			
Others - loans repayable on demand	**150.00**	150.00	150.00
Total	**36,090.76**	35,538.07	28,661.12

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

25. Trade payables

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Trade payables to related parties	**542.00**	1,483.70	161.00
Other trade payables*	**19,252.95**	23,933.42	27,423.73
Total	**19,794.95**	25,417.12	27,584.73

* Refer note 50 for Micro and Small Enterprises

Notes:
a) Includes acceptances Rs. 2,789.98 lakhs (March 31, 2017: Rs. 3,084.30 lakhs, April 1, 2016: Rs. 3,001.80 lakhs).
b) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 46.

26. Other financial liabilities

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Creditors for capital purchases	**175.40**	74.35	113.64
Current maturities of long term borrowings (refer Note 20)	**2,650.09**	2,812.20	5,832.33
Security deposits	**2.60**	3.40	4.65
Interest accrued but not due on borrowings	**96.77**	38.55	186.28
Unclaimed dividends	**139.77**	106.08	79.07
Unclaimed deposits and interest accrued thereon	**-**	-	10.27
Other payables			
Deposits from contractors and others	**273.50**	257.21	372.05
Payable to employees	**-**	1.41	4.01
Others	**40.40**	46.33	76.69
Total	**3,378.53**	3,339.53	6,678.99

27. Other current liabilities

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Advances from customers and others	**240.47**	201.36	135.39
Statutory dues payable	**974.16**	3,641.96	3,367.06
Others	**141.22**	116.18	157.70
Total	**1,355.85**	3,959.50	3,660.15

28. Provisions

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Provision for employee benefits (Refer note 44)			
- Compensated absences	**408.24**	274.84	256.85
Total	**408.24**	274.84	256.85

29. Revenue from operations

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Sale of products (including excise duty)*		
Export	**38,630.26**	38,839.21
Domestic	**1,27,328.28**	1,10,703.67
Sale of services		
Processing charges	**2,711.99**	2,603.86
Others	**-**	30.36
Other operating revenue		
Sale of scrap	**491.55**	373.04
Duty draw back and other export benefits	**1,292.99**	2,073.30
Sale of renewable energy certificates	**2,139.32**	1,126.88
Others	**32.04**	22.06
Total	**1,72,626.43**	1,55,772.38

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

30. Other income

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Interest income from financial assets measured at amortised cost		
From deposits with banks	**83.91**	85.22
Unwinding of discount on security deposits	**4.37**	3.87
Interest received against subvention	**350.42**	696.08
Provisions/liabilities no longer required, written back	**1.42**	59.86
Rental income	**37.24**	34.56
Profit on sale of current investments	**60.23**	17.47
Net change in fair value of financial assets measured at fair value through profit and loss	**-**	18.14
Gain on foreign exchange fluctuation (net)	**841.39**	539.37
Miscellaneous income	**159.77**	135.51
Total	**1,538.75**	1,590.08

31. Cost of material consumed

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Raw material stock at the beginning of the year	**6,319.78**	5,631.88
Add: Purchases	**1,00,082.75**	82,715.50
	1,06,402.53	88,347.38
Less: Raw material stock at the end of the year	**3,805.86**	6,319.78
Total	**1,02,596.67**	82,027.60
Particulars of materials consumed are as under:		
Sugarcane	**73,250.95**	56,279.31
Wood pulp	**8,003.44**	7,849.74
Others	**21,342.28**	17,898.55
Total	**1,02,596.67**	82,027.60

32. Purchase of traded goods

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Grain spirits	**12,089.89**	10,775.39
Total	**12,089.89**	10,775.39

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

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Opening stock		
Finished goods	**44,677.80**	40,728.73
Work-in-progress	**1,372.29**	1,257.21
Total	**46,050.09**	41,985.94
Closing stock		
Finished goods	**40,278.01**	44,677.80
Work-in-progress	**1,416.82**	1,372.29
Total	**41,694.83**	46,050.09
	4,355.26	(4,064.15)
Particulars of stocks of finished goods and work-in-progress are as under :		
Finished goods		
Sugar	**37,603.24**	41,936.71
Alcohol	**744.77**	800.81
Organic/ Fine chemicals	**847.85**	689.58
Industrial fibers	**1,082.15**	1,181.60
Others	**-**	69.10
	40,278.01	44,677.80
Work-in-progress		
Sugar	**554.77**	623.91
Alcohol	**19.06**	51.92
Organic/ Fine chemicals	**513.34**	358.02
Industrial fibres	**329.65**	338.44
	1,416.82	1,372.29

34. Employee benefits expense

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Salaries, wages and bonus	**11,058.99**	11,405.32
Contribution to provident and other funds	**1,107.30**	1,112.37
Staff welfare expenses	**464.45**	391.74
Total	**12,630.74**	12,909.43

Refer note 44 for disclosure on gratuity.

35. Finance costs

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Interest expense	**2,758.65**	3,439.35
Other borrowing costs	**55.67**	366.16
Total	**2,814.32**	3,805.51

36. Depreciation and amortisation expense

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Depreciation on property, plant and equipment	**1,890.79**	1,878.35
Amortisation of intangible assets	**33.37**	31.01
Total	**1,924.16**	1,909.36

37. Other expenses

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Stores and spares	**8,650.59**	7,575.62
Power and fuel	**8,825.16**	8,136.27
Repair and maintenance		
- Buildings	**1,004.34**	929.55
- Plant and machinery	**3,798.65**	3,272.63
Rent	**599.70**	525.72
Auditors' remuneration *		
- As auditors	**25.41**	41.50
- Limited review of unaudited financial results	**24.24**	23.40
- Verfication of statements & other records	**7.97**	9.40
- Out-of-pocket expenses	**2.45**	1.62
Insurance	**175.89**	175.03
Rates and taxes	**33.75**	72.02
(Decrease) / Increase in excise duty on finished goods	**(2,882.20)**	71.51
Freight and transport	**1,013.87**	913.66
Commission to selling agents	**2,005.45**	1,946.88
Loss on foreign exchange fluctuation (net)	**-**	-
Loss on sale of property, plant and equipment (net)	**43.77**	147.51
Donation	**-**	1.25
Corporate social responsibility (refer note below)	**134.24**	64.66
Bad debts and advances provided / written off	**4.03**	0.38
Miscellaneous expense	**5,231.41**	4,636.13
Total	**28,698.72**	28,544.74

Note: Details of corporate social responsibility expenditure

a) Amount required to be spent by the Company during the year	**133.99**	64.66
b) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	**17.10**	12.02
(ii) On purposes other than (i) above	**117.14**	52.64

* Includes Rs. 10.99 lakhs paid to previous auditors

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, 2018 and March 31, 2017 are:

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Current tax		
Current year	**1,496.34**	3,246.38
MAT credit entitlement	**(368.18)**	-
	1,128.16	3,246.38
Deferred tax		
Origination and reversal of temporary differences	**(11.80)**	(160.46)
Income tax expense reported in the statement of profit and loss	**1,116.36**	3,085.92

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

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Income tax		
Remeasurement of post employment benefit obligation	**58.45**	58.03
Income tax charge to other comprehensive income/(expense)	**58.45**	58.03

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, 2018 and March 31, 2017:

	For the year ended 31.03.2018		For the year ended 31.03.2017	
	Rate	Amount Rs. lakhs	Rate	Amount Rs. lakhs
Profit before tax from continuing operations, including OCI	**34.61%**	**6,703.25**	34.61%	14,954.56
Tax using the Company's domestic tax rate		**2,319.86**		5,175.47
Tax effect of:				
Non-deductible expenses	**0.72%**	**48.50**	0.17%	24.93
Non-taxable income	**-**	**-**	0.05%	(8.22)
Tax-exempt income	**-19.50%**	**(1,307.14)**	-8.65%	(1,292.95)
Change in estimates	**-**	**-**	-2.92%	(437.00)
Others	**-0.05%**	**(3.31)**	-2.90%	(434.34)
Effective tax rate	**15.78%**	**1,057.91**	20.36%	3,027.89

D. Deferred tax assets/liabilities

Particulars	Deferred tax assets			Deferred tax liabilities			Net deferred tax assets/(liabilities)		
	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Accrued expense deductible on payment	**742.12**	609.66	159.44	**-**	-	-	**742.12**	609.66	159.44
Provision for gratuity and compensated absences	**322.17**	348.51	310.76	**-**	-	-	**322.17**	348.51	310.76
Loss allowance for trade receivables	**10.37**	10.37	13.61	**-**	-	-	**10.37**	10.37	13.61
Loss allowance for other assets	**0.45**	0.45	0.44	**-**	-	-	**0.45**	0.45	0.44
Difference in book written down value and tax written down value of property, plant and equipment	**-**	-	-	**7,067.51**	7,016.56	6,743.51	**(7,067.51)**	(7,016.56)	(6,743.51)
Others	**22.29**	23.42	36.30	**-**	16.21	35.89	**22.29**	7.21	0.41
	1,097.40	992.41	520.55	**7,067.51**	7,032.77	6,779.40	**(5,970.11)**	(6,040.36)	(6,258.85)
MAT credit entitlement*	**2,763.42**	2,395.24	2,407.84	**-**	-	-	**2,763.42**	2,395.24	2,407.84
Net Deferred tax liability	**3,860.82**	3,387.65	2,928.39	**7,067.51**	7,032.77	6,779.40	**(3,206.69)**	(3,645.12)	(3,851.01)

* MAT credit entitlement in the statement of Profit & Loss forms part of Deferred Tax (credit)/charge for the year.

E. Availability of MAT Credit is as under :

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Expire Year	**Gross amount**	**Gross amount**	**Gross amount**
2024-25	**-**	-	12.60
2027-28	**282.24**	282.24	282.24
2028-29	**980.00**	980.00	980.00
2029-30	**282.00**	282.00	282.00
2030-31	**851.00**	851.00	851.00
2032-33	**368.18**	-	-
Total	**2,763.42**	**2,395.24**	**2,407.84**

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 read with Rule 7 of the Companies (Accounts) Rule, 2014, 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))

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

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

B. Information about reportable segments

Particulars	Reportable segments						Elimination		Total	
	Sugar		Industrial fibres and related products		Chemicals					
	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs	**For the year ended 31.03.2018 Rs. lakhs**	For the year ended 31.03.2017 Rs. lakhs	**For the year ended 31.03.2018 Rs. lakhs**	For the year ended 31.03.2017 Rs. lakhs	**For the year ended 31.03.2018 Rs. lakhs**	For the year ended 31.03.2017 Rs. lakhs	**For the year ended 31.03.2018 Rs. lakhs**	For the year ended 31.03.2017 Rs. lakhs
Segment revenue										
- External revenues	**1,07,241.02**	92,925.20	**35,481.01**	34,481.15	**25,948.50**	24,764.87	**-**	-	**1,68,670.53**	1,52,171.22
- Inter segment revenue	**-**	5.88	**-**	-	**-**	-	**-**	-	**-**	5.88
- Other operating revenue	**2,410.98**	1,956.02	**1,180.61**	1,267.10	**364.31**	378.04	**-**	(5.88)	**3,955.90**	3,595.28
- Interest income	**243.15**	590.71	**174.05**	181.55	**6.53**	7.25			**423.73**	779.51
- Other income	**48.79**	33.77	**841.41**	495.10	**149.61**	214.31	**(3.06)**	(3.14)	**1,036.75**	740.04
- Unallocable income									**78.27**	70.53
Total segment revenue	**1,09,943.94**	95,511.58	**37,677.08**	36,424.90	**26,468.95**	25,364.47	**(3.06)**	(9.02)	**1,74,165.18**	1,57,362.46
Segment results	**7,682.38**	16,279.00	**2,944.20**	4,127.00	**1,407.68**	924.00			**12,034.26**	21,330.00
Unallocated expenses (net of unallocated income)									**2,347.81**	2,402.25
Operating profit/(loss)									**9,686.45**	18,927.75
Finance costs									**2,814.32**	3,805.51
Profit/(loss) before tax									**6,872.13**	15,122.24
Current tax									**1,496.34**	3,246.38
MAT Credit Entitlement									**(368.18)**	-
Deferred tax									**(11.80)**	(160.46)
Net profit/(loss) after tax									**5,755.77**	12,036.32
Capital expenditure during the year	**1,118.30**	970.51	**1,967.58**	1,344.66	**772.77**	306.51	**-**	-		
Depreciation	**633.53**	632.44	**848.43**	816.74	**396.53**	411.06	**-**	-		
Non cash expense other than depreciation	**4.51**	1.55	**3.75**	3.44	**148.16**	151.56	**-**	-		

Particulars	Reportable segments									Elimination			Total		
	Sugar			Industrial fibres and related products			Chemicals								
	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Segment assets	**60,901.77**	67,348.88	61,271.69	**29,338.84**	27,766.26	27,225.48	**16,891.17**	15,152.72	14,223.89	**2,327.55**	1,836.00	2,040.40	**1,04,804.23**	1,08,431.86	1,00,680.66
Unallocated assets													**4,570.94**	3,731.31	4,004.48
Total assets	**60,901.77**	67,348.88	61,271.69	**29,338.84**	27,766.26	27,225.48	**16,891.17**	15,152.72	14,223.89	**2,327.55**	1,836.00	2,040.40	**1,09,375.17**	1,12,163.17	1,04,685.14
Segment liabilities	**9,579.00**	18,137.00	22,919.00	**8,469.00**	7,220.00	6,594.00	**6,173.00**	5,300.00	4,599.00	**2,327.55**	1,836.00	2,040.40	**21,893.45**	28,821.00	32,071.60
Share capital and reserves													**40,793.38**	36,509.16	25,943.62
Unallocated liabilities													**46,688.34**	46,833.01	46,669.92
Total liabilities	**9,579.00**	18,137.00	22,919.00	**8,469.00**	7,220.00	6,594.00	**6,173.00**	5,300.00	4,599.00	**2,327.55**	1,836.00	2,040.40	**1,09,375.17**	1,12,163.17	1,04,685.14

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

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
i. Revenues		
Total revenue for reportable segments	**1,74,089.97**	1,57,300.95
Unallocated amounts:		
Revenue for other segments	**78.27**	70.53
Inter-segment elimination	**(3.06)**	(9.02)
Total revenue	**1,74,165.18**	1,57,362.46

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
ii. Profit before tax		
Total profit before tax for reportable segments	**12,034.26**	21,330.00
Unallocated cost:		
Finance costs	**(2,814.32)**	(3,805.51)
Other unallocated amounts	**(2,347.81)**	(2,402.25)
Profit before tax as per statement of profit and loss	**6,872.13**	15,122.24

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
iii. Assets			
Total assets for reportable segments	**1,04,804.23**	1,08,431.86	1,00,680.65
Unallocated amounts:			
Investments	**613.40**	837.58	1541.39
Corporate assets	**3,957.54**	2893.73	2463.10
Total assets as per the balance sheet	**1,09,375.17**	1,12,163.17	1,04,685.14

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
iv. Liabilities			
Total liabilities for reportable segments	**21,893.45**	28,821.00	32,071.60
Unallocated amounts:			
Share capital	**1,739.84**	1,739.84	1,739.84
Reserves and Surplus	**39,053.54**	34,769.32	24,203.78
Unallocated corporate liabilities	**46,688.34**	46,833.01	46,669.92
Total liabilities as per the balance sheet	**1,09,375.17**	1,12,163.17	1,04,685.14

D. Geographical information

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

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
i. Revenues		
(a) India	**1,35,537.98**	1,18,532.27
(b) Other countries		
Europe	**14,096.57**	13,756.06
China	**10,126.17**	9,623.92
Rest of the world	**14,407.52**	15,459.23
Total (b)	**38,630.26**	38,839.21
(c) Inter-segment elimination	**(3.06)**	(9.02)
Total (a+b+c)	**1,74,165.18**	1,57,362.46

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
ii. Assets			
(a) India	**99,890.12**	1,04,555.19	98,149.59
(b) Other countries			
Europe	**1,593.95**	1,573.12	1,442.31
China	**3,312.71**	2,886.02	1,894.10
Rest of the world	**4,578.39**	3,148.84	3,199.14
Total (b)	**9,485.05**	7,607.98	6,535.55
Total (a+b)	**1,09,375.17**	1,12,163.17	1,04,685.14

E. Major customer

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

40. Operating lease - As a lessee

The Company has entered into operating leases agreements for various premises taken for accommodation of Company's officers / directors and various offices of the Company. The lease rental expense recognised in the Statement of Profit and Loss for the period in respect of leases is Rs. 599.70 lakhs (March 31, 2017: Rs. 525.72 lakhs).

41. Contingent liabilities and commitments

A. Contingent liabilities

Particulars	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Income tax matters*	**1,708.75**	1,708.75	217.51
Excise and Service tax matters*	**736.06**	778.21	500.51
Claims against the Company not acknowledged as debts (excluding claims by employees, where amount is not ascertainable)*	**640.42**	845.79	880.80
Sales Tax matters*	**75.59**	-	-
Sugarcane related matters	**4545.26**	4,201.70	-
Total	**7706.08**	7,534.45	1,598.82

* 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. 2492.74 lakhs (March 31, 2017: Rs. 519.02 lakhs, April 1, 2016: Rs. 207.46 lakhs).

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

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

43. Earnings per share

Basic and diluted earnings/ (loss) per share

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

Particulars	Unit	For the year ended 31.03.2018	For the year ended 31.03.2017
Profit/ (loss) after tax attributable to equity shareholders	**Rs. lakhs**	**5,755.77**	12,036.32
Weighted average number of equity shares outstanding during the year	**Numbers**	**1,73,98,437**	1,73,98,437
Nominal value per share	**Rs.**	**10**	10
Basic and diluted earnings/ (loss) per share	**Rs.**	**33.08**	69.18

44. Employee benefits

A. Defined Contribution plans

Rs. 705.54 lakhs (March 31, 2017: Rs. 660.72 lakhs) for provident fund contribution and Rs. 163.85 lakhs (March 31, 2017: Rs. 276.09 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 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Net Gratuity liability / (asset)	**179.79**	(33.34)	(139.06)
Non current	**179.79**	-	-
Current	**-**	(33.34)	(139.06)
	179.79	(33.34)	(139.06)

For details about the related employee gratuity expenses, refer note 38.

(i) Reconciliation of the gratuity benefit liability

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

Particulars	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Balance at the beginning of the year	**3,416.40**	3,125.57
Current service cost	**194.71**	183.32
Interest cost	**247.69**	234.42
Actuarial (gains) / losses recognised in other comprehensive income	**39.08**	273.74
Benefits paid	**(339.73)**	(400.65)
Balance at the end of the year	**3,558.15**	3,416.40

(ii) Reconciliation of the plan assets

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

Particulars	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Balance at the beginning of the year	**3,449.74**	3,264.63
Expected return on plan assets	**250.11**	244.85
Contribution by the company	**13.99**	17.16
Benefits paid	**(205.68)**	(182.96)
Actuarial (gains) / losses recognised in other comprehensive income	**(129.80)**	106.06
Balance at the end of the year	**3,378.36**	3,449.74

(iii) Expense recognized in profit and loss

Particulars	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Current service cost	**194.71**	183.32
Interest cost	**247.69**	234.42
Expected return on plan assets	**(250.11)**	(244.85)
Actuarial (gains) / losses recognised in other comprehensive income	**168.88**	167.68
	361.17	340.57

(iv) Constitution of plan assets

Particulars	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs
Other than equity, debt, property and bank account		
Funded with LIC*	**3,378.36**	3,449.74

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

(v) Remeasurements recognized in other comprehensive income

Particulars	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Actuarial (gain) / loss on gratuity obligation	**168.88**	167.68

(vi) Actuarial assumptions

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

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Financial assumptions			
Discount rate	**7.75%**	7.25%	7.50%
Future salary growth	**5.00%**	5.00%	5.00%
Rate of return on plan assets	**7.25%**	7.50%	7.50%
Expected average remaining working lives of employees (years)	**16.27**	16.07	14.44
Demographic assumptions			
Mortality rate	**IALM (2006-08)**	IALM (2006-08)	IALM (2006-08)
Withdrawal rate	**Up to 30 years- 3%**	Up to 30 years- 3%	Up to 30 years- 3%
	Up to 44 years- 2%	Up to 44 years- 2%	Up to 44 years- 2%
	Above 44 years- 1%	Above 44 years- 1%	Above 44 years- 1%
Retirement age	**58 years and 60 years**	58 years and 60 years	58 years and 60 years

Expected contributions to post-employment benefit plans for the year ending March 31, 2019 are Rs. 230.06 lakhs (March 31, 2018: Rs. 203.49 lakhs).

(vii) Sensitivity analysis

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

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

Particulars	**For the year ended 31.03.2018 Rs. lakhs**		For the year ended 31.03.2017 Rs. lakhs	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50%)	**(457.66)**	**212.14**	(471.67)	230.18
Future salary growth (0.50%)	**217.86**	**(470.02)**	236.40	(484.40)

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

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

(viii) Maturity profile

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

Particulars	**As at 31.03.2018 Rs. lakhs**	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Within 1 year	**840.50**	586.75	610.95
1 year to 5 years	**1,215.38**	1,367.81	1,235.56
More than 5 years	**2,194.14**	2,052.88	1,854.07

C. Compensated absences:

The obligation of compensated absence in respect of the employees of the Company as at 31 March 2018 works out to Rs. 1,149.41 lakhs (31 March 2017: Rs. 1,007.04 lakhs, 1 April 2016: Rs. 897.99 lakhs)

D. Risk exposure:

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

a) Investment Risk

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

b) Interest rate risk

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

c) Longevity risk

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

d) Salary risk

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

45. Related party disclosures:

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

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

Subsidiary: Daurala Foods and Beverages Private Limited

Associate: DCM Hyundai Limited

Key management personnel

Mr. Tilak Dhar, Chairman & Managing Director

Mr. Alok B.Shriram, Vice Chairman & Dy. Managing Director

Mr. Madhav B.Shriram, Deputy Managing Director

Mr. K.N. Rao, Director & CEO Rayons

Mr. P.R. Khanna, Independent Director

Mr. S.B. Mathur, Independent Director

Mr. Ravinder Narain, Independent Director

Mr. S.C. Kumar, Independent Director

Mr. C. Vikas Rao, Independent Director

Ms. Kavitha Dutt Chitturi, Independent Director

Mr. N.K. Jain, Chief Financial Officer

Mr. Y.D. Gupta, Chief General Manager & Company Secretary

Relatives/HUF of key management personnel

M/s. Bansi Dhar & Sons - HUF

Mr. Akshay Dhar

Ms. Kanika Shriram

Mr. Rudra Shriram

Mr. Rohan Shriram

Mr. Uday Shriram

Mrs. K. Rao

Mrs. Anita Gupta

Mrs. Manju Jain

Mr. Nirmal Kumar Jain

Mrs. Maya Rani Jain

Mr. Rajat Jain

Mrs. Kiran Khanna

Mr. P. R. Khanna (HUF)

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

Bantam Enterprises Private Limited

H.R. Travels Private Limited

Hindustan Vaccum Glass Private Limited

B. Transactions with related parties:

i) Transaction with subsidiary

Particulars	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Purchase of spare parts		
Daurala Foods and Beverages Private Limited	**-**	15.23
Total	**-**	15.23

ii) Transactions with Key management personnel, their relatives/HUF and others

Particulars	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Rent expenses		
Relatives/HUF of key management personnel		
M/s. Bansi Dhar & Sons - HUF	**128.16**	115.72
Mrs. K. Rao	**3.90**	3.72
Mrs. Manju Jain	**11.76**	10.62
Mrs Anita Gupta	**7.54**	6.30
Others		
Bantam Enterprises Private Limited	**32.17**	22.88
H.R. Travels Private Limited	**7.65**	6.59
Total	**191.18**	165.83

Transactions with Key management personnel, their relatives/HUF and others (contd.)

Particulars	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Interest expense		
Key management personnel		
Mr. Alok B. Shriram	**4.55**	-
Relatives of Key management personnel		
Mr. Rohan Shriram	**0.77**	-
Ms. Kanika Shriram	**0.68**	0.04
Mr. Rudra Shriram	**0.22**	0.03
Mr. Uday Shriram	**0.37**	-
Mrs. Anita Gupta	**0.67**	0.47
Mrs. Manju Jain	**8.90**	8.23
Mr. Nirmal Kumar Jain	**3.21**	3.38
Mrs. Maya Rani Jain	**1.27**	1.34
Mr. Rajat Jain	**-**	0.11
Independent Directors & their relatives/HUF		
Mr. P. R. Khanna	**1.05**	1.05
Mr. P. R. Khanna (HUF)	**1.05**	0.73
Mrs. Kiran Khanna	**1.84**	1.68
Total	**24.58**	17.06
Purchase of Goods		
Others		
Hindustan Vaccum Glass Private Limited	**30.02**	-
Total	**30.02**	-
Public deposits received		
Key management personnel		
Mr. Alok B. Shriram	**75.00**	-
Relatives of key management personnel		
Mr. Rohan Shriram	**18.00**	-
Ms. Kanika Shriram	**5.00**	3.00
Mr. Rudra Shriram	**-**	2.00
Mr. Uday Shriram	**10.00**	-
Mrs. Anita Gupta	**2.00**	1.00
Mrs. Manju Jain	**2.00**	1.00
Independent Directors & their relatives		
Mr. P. R. Khanna	**-**	10.00
Mrs. Kiran Khanna	**-**	5.00
Total	**112.00**	22.00
Security deposits received back		
Relatives/HUF of key management personnel		
Mrs Manju Jain	**1.39**	-
Mrs Anita Gupta	**0.66**	-
Total	**2.05**	-
Public Deposits paid		
Relatives of Key Management Personnel		
Mrs Manju Jain	**-**	0.03
Mr Rajat Jain	**-**	4.56
Total	**-**	4.59
Advance rent adjusted		
Relatives/HUF of key management personnel		
M/s. Bansi Dhar & Sons - HUF	**-**	1.63
Total	**-**	1.63

Particulars	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Compensation of key management personnel		
Salaries and bonus including contributions made to provident fund		
Mr. Tilak Dhar	**227.59**	506.70
Mr. Alok B.Shriram	**227.58**	506.70
Mr. Madhav B.Shriram	**227.58**	506.70
Mr. K.N. Rao	**57.39**	46.58
Mr. N. K. Jain	**39.69**	36.15
Mr. Y. D. Gupta	**24.98**	22.68
Relatives of key management personnel	**60.00**	35.48
Total	**864.81**	1,660.99
Post-employment defined benefit plan		
Gratuity		
Mr. Tilak Dhar	**6.02**	2.10
Mr. Alok B.Shriram	**4.89**	4.81
Mr. Madhav B.Shriram	**4.65**	4.66
Mr. K.N. Rao	**4.22**	1.91
Mr. N.K. Jain	**1.92**	2.50
Mr. Y.D. Gupta	**3.61**	2.14
Relatives of key management personnel	**3.83**	1.36
Total	**29.14**	19.48
Other long term defined benefit plan		
Compensated absences		
Mr. Tilak Dhar	**3.79**	1.69
Mr. Alok B.Shriram	**3.11**	2.04
Mr. Madhav B.Shriram	**2.92**	2.02
Mr. K.N. Rao	**2.42**	0.59
Mr. N. K. Jain	**(0.49)**	(0.45)
Mr. Y. D. Gupta	**1.23**	0.51
Relatives of key management personnel	**5.34**	0.96
Total	**18.32**	7.36
Commission to Independent Directors		
Mr. P. R. Khanna	**14.26**	31.75
Mr. S. B. Mathur	**13.38**	29.80
Mr. Ravinder Narain	**12.50**	27.82
Mr. S. C. Kumar	**14.26**	31.75
Mr C Vikas Rao	**10.73**	23.89
Mrs. Kavitha Dutt Chitturi	**10.73**	23.89
Total	**75.86**	168.90
Total compensation paid to key management personnel	**988.13**	1856.73

Balances with related parties

Particulars	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Receivable			
Relatives/HUF of key management personnel			
M/s. Bansi Dhar & Sons - HUF	**35.10**	35.10	36.73
Mrs. K. Rao	**0.93**	0.93	0.93
Mrs. Manju Jain	**3.92**	5.31	5.31
Mrs. Anita Gupta	**2.51**	3.17	3.17
Others			
Hindustan Vaccum Glass Private Limited	**19.35**	-	-
Total	**61.81**	44.51	46.14
Payables			
Public deposits including interest accrued			
Key management personnel			
Mr. Alok B. Shriram	**79.55**	-	-
Relatives/HUF of key management personnel			
Mr. Rohan Shriram	**18.77**	-	-
Ms. Kanika Shriram	**8.72**	3.04	-
Mr. Rudra Shriram	**2.25**	2.03	-
Mr. Uday Shriram	**10.37**	0.00	-
Mrs. Anita Gupta	**7.70**	5.03	3.56
Mrs. Manju Jain	**102.54**	91.64	82.44
Mr. Nirmal Kumar Jain	**32.06**	32.06	32.06
Mrs. Maya Rani Jain	**12.70**	12.70	12.70
Independent Directors & their relatives			
Mr. P. R. Khanna	**10.00**	10.00	10.00
Mr. P. R. Khanna (HUF)	**10.00**	10.00	0.00
Mrs. Kiran Khanna	**17.50**	17.50	0.00
Total	**312.16**	184.00	140.76
Commission to Independent Directors			
Mr. P. R. Khanna	**14.26**	31.75	-
Mr. S. B. Mathur	**13.38**	29.80	-
Mr. Ravinder Narain	**12.50**	27.82	-
Mr. S. C. Kumar	**14.26**	31.75	-
Mr C Vikas Rao	**10.73**	23.89	-
Mrs. Kavitha Dutt Chitturi	**10.73**	23.89	-
Total	**75.86**	168.90	-
Remuneration			
Key management personnel			
Tilak Dhar	**153.28**	436.38	65.40
Alok B.Shriram	**155.03**	438.82	64.80
Madhav B.Shriram	**157.83**	439.60	30.80
Total	**466.14**	1,314.80	161.00

Note:

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

46. Financial instruments - Fair values and risk management

a. Financial instruments – by category and fair values hierarchy

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

i. As on April 1, 2016

(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*	-	-	319.24	**319.24**	-	-	319.24
(ii) Other financial assets*	-	-	129.57	**129.57**	-	-	-
Current							
(i) Investments*							
Equity instrument (Mutual funds)	927.99	-	-	**927.99**	927.99	-	-
Prefernce shares	-	-	-	**-**	-	-	-
(ii) Trade receivables*	-	-	12,354.34	**12,354.34**	-	-	-
(iii) Cash and cash equivalents*	-	-	513.52	**513.52**	-	-	-
(iv) Other Bank balances	-	-	268.68	**268.68**	-	-	-
(v) Loans*	-	-	107.23	**107.23**	-	-	-
(vi) Other financial assets*	-	-	1,357.50	**1,357.50**	-	-	-
Total	**927.99**	**-**	**15,050.08**	**15,978.07**			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	7,234.56	**7,234.56**	-	-	7,234.56
(ii) Other financial liabilities*	-	-	65.69	**65.69**	-	-	65.69
Current							
(i) Borrowings#	-	-	28,661.12	**28,661.12**	-	-	-
(ii) Trade payables*	-	-	27,584.73	**27,584.73**	-	-	-
(iii) Other financial liabilities*	-	-	6,678.99	**6,678.99**	-	-	-
Total	**-**	**-**	**70,225.09**	**70,225.09**			

ii. As on March 31, 2017

(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*	-	-	335.16	**335.16**	-	-	335.16
(ii) Other financial assets*	-	-	328.04	**328.04**	-	-	-
Current							
(i) Investments*							
Equity instrument (Mutual funds)	224.18	-	-	**224.18**	224.18	-	-
Prefernce shares	-	-	-	**-**	-	-	-
(ii) Trade receivables*	-	-	14,798.38	**14,798.38**	-	-	-
(iii) Cash and cash equivalents*	-	-	504.10	**504.10**	-	-	-
(iv) Other Bank balances	-	-	408.74	**408.74**	-	-	-
(v) Loans*	-	-	96.54	**96.54**	-	-	-
(vi) Other financial assets*	-	-	1,341.56	**1,341.56**	-	-	-
Total	**224.18**	**-**	**17,812.52**	**18,036.70**			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	2,528.48	**2,528.48**	-	-	2,528.48
(ii) Other financial liabilities*	-	-	99.81	**99.81**	-	-	99.81
Current							
(i) Borrowings#	-	-	35,538.07	**35,538.07**	-	-	-
(ii) Trade payables*	-	-	25,417.12	**25,417.12**	-	-	-
(iii) Other financial liabilities*	-	-	3,339.53	**3,339.53**	-	-	-
Total	**-**	**-**	**66,923.01**	**66,923.01**			

iii. As on March 31, 2018

(Rs. lakhs)

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

The Company's borrowings have been contracted at both floating and fixed rates of interest. The borrowings at floating rates reset at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, investments, bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. The other non-current financial assets represent security deposits given to various parties, loans and advances to employees and bank deposits (due for maturity after twelve months from the reporting date), and other non-current financial liabilities, the carrying value of which approximates the fair values as on the reporting date.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2018 and March 31, 2017.

Valuation

Following financial instruments are remeasured at fair value as under :

(a) The fair value of investments in quoted Equity Shares and Mutual Funds are measured at quoted price or NRV.

(b) All foreign currency denominated assets are translated using exchange rate at reporting date.

Risk Management

The Company Manages risk arising from financial instruments as under :

b. Financial risk management

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

(Rs. lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Investments	**613.40**	837.58	1,541.39
Trade receivables	**16,488.27**	14,798.38	12,354.34
Cash and cash equivalents	**700.86**	504.10	513.52
Other bank balances	**528.25**	408.74	268.68
Loans	**816.01**	431.70	426.47
Other financial assets	**1,046.25**	1,669.60	1,487.07

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. It arises from cash and cash equivalents, financial instruments and principally from credit exposure to customers relating to outstanding receivables. The company continuously reviews the credit to be given and the recoverability of amounts due. Majority of the trade receivables are from parties with whom the company had long standing satisfactory dealings.

The Company's exposure to credit risk for trade receivables is as follows:

	Gross carrying amount		
Particulars	**As at 31.03.2018 Rs. lakhs**	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
1-90 days past due *	**5,125.98**	4,897.77	4,450.00
91 to 180 days past due	**3.29**	-	26.74
More than 180 days past due #	**0.02**	-	7.29
Not due	**11,358.98**	9,900.61	7,870.31
	16,488.27	14,798.38	12,354.34

* The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.

The company continuously reviews the credit to be given and the recoverability of amounts due. Majority of the trade receivables, both domestic and overseas, are from parties with whom the company had long standing satisfactory dealings.

Movement in the allowance for impairment in respect of trade receivables is given below:

Particulars	**For the year ended 31.03.2018 Rs. lakhs**	For the year ended 31.03.2017 Rs. lakhs
Balance at the beginning of the year	**29.97**	39.32
Impairment loss recognised / (reversed)	**-**	-
Amount written off	**-**	(9.35)
Balance at the end of the year	**29.97**	29.97

Note

Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Company generally transacts with the Banks with high credit ratings assigned by domestic and international credit rating agencies.

Other financial assets

Other financial assets do not have any significant credit risk

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. 1,229.11 lakhs as at March 31, 2018 (March 31, 2017 Rs. 912.84 lakhs, April 1, 2016 Rs. 782.20 lakhs), anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if liquidity needs were to arise, the Company believes it has access to financing arrangements, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company’s liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

I. Financial arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	**As at 31.03.2018 Rs. lakhs**	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
From banks	**2,234.12**	77.21	2,817.24

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 April 1, 2016	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
Non-current liabilities					
Borrowings	7,234.56	-	7,234.56	-	7,234.56
Other financial liabilities	65.69	-	65.69	-	65.69
Current liabilities					
Borrowings	28,661.12	28,661.12	-	-	28,661.12
Trade payables	27,584.73	27,584.73	-	-	27,584.73
Other financial liabilities	6,678.99	6,678.99	-	-	6,678.99
Total	**70,225.09**	**62,924.84**	**7,300.25**	**-**	**70,225.09**

(Rs. lakhs)

As at March 31, 2017	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
Non-current liabilities					
Borrowings	2,528.48	-	2,528.48	-	2,528.48
Other financial liabilities	99.81	-	99.81	-	99.81
Current liabilities					
Borrowings	35,538.07	35,538.07	-	-	35,538.07
Trade payables	25,417.12	25,417.12	-	-	25,417.12
Other financial liabilities	3,339.53	3,339.53	-	-	3,339.53
Total	**66,923.01**	**64,294.72**	**2,628.29**	**-**	**66,923.01**

(Rs. lakhs)

As at March, 2018	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
Non-current liabilities					
Borrowings	3,202.56	-	3,202.56	-	3,202.56
Other financial liabilities	90.97	-	90.97	-	90.97
Current liabilities					
Borrowings	36,090.76	36,090.76	-	-	36,090.76
Trade payables	19,794.95	19,794.95	-	-	19,794.95
Other financial liabilities	3,378.53	3,378.53	-	-	3,378.53
Total	**62,557.77**	**59,264.24**	**3,293.53**	**-**	**62,557.77**

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, 2018, March 31, 2017 and April 1, 2016 are as below:

(Rs. lakhs)

	As at March 31, 2018				
	USD	**EURO**	**GBP**	**AUD**	**NZ$**
Financial assets					
Trade receivables	7,910.26	1,593.95	51.87		
Forward Contract	130.28	80.82			
Sundry Advances	14.51	0.81		0.52	
	8,055.05	**1,675.58**	**51.87**	**0.52**	**-**
Financial liabilities					
Borrowings	205.68	352.15	-	-	-
Trade payables	952.44	44.50	0.23	-	-
Commission & discount	811.20	444.25	-	-	-
Acceptances	2,789.98	-	-	-	-
Royalty	-	8.31	-	-	-
	4,759.30	**849.21**	**0.23**	**-**	**-**

(Rs. lakhs)

	As at March 31, 2017				
	USD	**EURO**	**GBP**	**AUD**	**NZ$**
Financial assets					
Trade receivables	5,733.33	1,365.76	18.24	-	-
Forward Contract	-	-	-	-	-
Sundry Advances	8.87	8.37	-	-	-
	5,742.20	**1,374.13**	**18.24**	**-**	**-**
Financial liabilities					
Borrowings	-	140.06	-	-	-
Trade payables	559.91	0.69	0.20	-	-
Commission & discount	414.14	200.31	-	-	-
Acceptances	3,084.30	-	-	-	-
Royalty	-	8.31	-	-	-
Consultancy	-	-	-	-	4.75
	4,058.35	**349.37**	**0.20**	**-**	**4.75**

(Rs. lakhs)

	As at April 1, 2016				
	USD	**EURO**	**GBP**	**AUD**	**NZ$**
Financial assets					
Trade receivables	4,710.31	-	22.53	-	-
Forward Contract	-	2,085.72	-	-	-
Sundry Advances	-	37.92	-	3.01	-
	4,710.31	**2,123.64**	**22.53**	**3.01**	**-**
Financial liabilities					
Borrowings	9.77	340.97	-	-	-
Trade payables	477.01	20.05	-	-	-
Commission & discount	214.44	158.52	-	-	-
Acceptances	3,001.80	-	-	-	-
Royalty	-	8.31	-	-	-
	3,703.02	**527.85**	**-**	**-**	**-**

Sensitivity analysis

A reasonably possible strengthening / weakening of the Indian Rupee against below currencies at March 31, 2018 (previous year ended as on March 31, 2017) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. lakhs)

Particulars	Profit or loss		Equity, net of tax	
	Weakening	Strengthening	Weakening	Strengthening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
For the year ended March 31, 2018				
USD	32.96	(32.96)	21.55	(21.55)
EUR	8.26	(8.26)	5.40	(5.40)
GBP	0.52	(0.52)	0.34	(0.34)
AUD	0.01	(0.01)	0.00	(0.00)
NZ$	-	-	-	-
	41.75	**(41.75)**	**27.29**	**(27.29)**
For the year ended March 31, 2017				
USD	16.84	(16.84)	11.01	(11.01)
EUR	10.25	(10.25)	6.70	(6.70)
GBP	0.18	(0.18)	0.12	(0.12)
NZ$	(0.05)	0.05	(0.03)	0.03
	27.22	**(27.22)**	**17.80**	**(17.80)**

USD: United States Dollar, EUR: Euro, GBP: Great British Pound, AUD:Australian Dollar, NZ$: New Zealand Dollar

b. Financial risk management (continued)

III. Market risk

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period along with the interest rate profile are as follows:

Particulars	**As at 31.03.2018 Rs. lakhs**	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Financial Assets			
Fixed Rate Instruments			
Bank Balances other than Cash & cash Equivalents	**528.25**	408.74	268.68
Loans	**816.01**	431.70	426.47
Other Financial assets	**1,046.25**	1,669.60	1,487.07
Total	**2,390.51**	2,510.04	2,182.22
Financial Liabilities			
Fixed Rate Instruments			
Term loans	**967.57**	1,403.73	2743.78
Public Deposits	**655.49**	494.99	476.59
Variable-rate instruments			
Term loans	**4,229.59**	3,441.96	9,846.52
Cash Credit	**36,090.76**	35,538 .07	28,661.12
Total	**41,943.41**	40,878.75	41,728.01

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, 2018				
Interest on term loans	(48.62)	48.62	(31.79)	31.79
Interest on cash credits	(360.91)	360.91	(236.00)	236.00
For the year ended March 31, 2017				
Interest on term loans	(46.53)	46.53	(30.43)	30.43
Interest on cash credits	(355.38)	355.38	(232.39)	232.39

47. Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Company manages its capital structure and makes adjustments to it in light of changes in the economic/ business conditions and requirements.

The Company's debt to capital ratio, which is calculated as interest-bearing debts (less cash & cash equivalents) divided by total capital (equity attributable to equity share holders plus interest-bearing debt) is as under:

Particulars	**As at 31.03.2018 Rs. lakhs**	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Borrowings	**41,943.41**	40,878.75	41,728.01
Less : Cash and cash equivalent	**(700.86)**	(504.10)	(513.52)
Adjusted net debt (A)	**41,242.55**	40,374.65	41,214.49
Total equity (B)	**40,793.38**	36,509.16	25,943.62
Adjusted net debt to adjusted equity ratio (A/B)	**101.10%**	110.59%	158.86%

48. Explanation of transition to Ind AS

As mentioned in note 2, to the standalone financial statements, these financial statements for the year ended March 31, 2018, are the first financial statements of the Company prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with "previous GAAP", including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

The accounting policies set out in Note 2A have been applied in preparing these financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening standalone Ind AS balance sheet as on the date of transition i.e. April 1, 2016.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ended on or after March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS.

This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017. According to Ind AS 101, the first Ind AS financial statements must use recognition and measurement principles that are based on standards and interpretations that are effective for the financial year ended March 31, 2018. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS financial statements. Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 1, 2016 compared with those presented in the previous GAAP Balance Sheet as of March 31, 2016, were recognised in equity within the Ind AS Balance Sheet.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Transition elections

Explanation of the Ind AS 101 exceptions and exemptions to the full retrospective application of Ind AS applied by the Company.

In the Ind AS opening Balance Sheet as at April 1, 2016, the carrying amounts of assets and liabilities from the previous GAAP as at March 31, 2016 are generally recognized and measured according to Ind AS in effect for the financial year ended as on March 31, 2018. For certain individual cases, however, Ind AS 101 provides for optional exemptions to the general principles of retrospective application of Ind AS. The Company has made use of the following exemptions in preparing its Ind AS opening Balance Sheet.

a) Ind AS optional exemptions:

(i) Property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure the property, plant and equipment and intangible assets at their previous GAAP values (except land, building and plant and machinery for which the Company has decided to measure them at previous GAAP revalued amount)

(ii) Determining whether an arrangement contains a lease

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected not to be material. The Company has elected to apply this exemption for such contracts/arrangements.

(iii) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. Accordingly, the Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

(iv) Investment in subsidiaries and associates

Ind AS 101 permits first-time adopter to elect to continue with the carrying value for its investments in subsidiaries, joint ventures and associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as the date of transition. Accordingly, the Company has elected to measure its investments in subsidiaries and associates at their previous GAAP values.

b) Ind AS mandatory exceptions:

(i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

a) Determination of the discounted value for financial instruments carried at amortised cost

b) Impairment of financial assets based on expected credit loss model

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B. Reconciliations between previous GAAP and Ind AS:

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Reconciliation of equity as at April 1, 2016:

(Rs. lakhs)

Particulars	Foot Note reference	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		31,992.85	-	31,992.85
Capital work-in progress		753.28	-	753.28
Intangible assets		124.82	-	124.82
Financial assets				
(i) Investments in subsidiary and associate		613.40	-	613.40
(ii) Loans	4	330.62	(11.38)	319.24
(iii) Other financial assets		129.57	-	129.57
Income-tax assets (net)		978.37	-	978.37
Other non-current assets	4	491.39	11.38	502.77
Total non-current assets		**35,414.30**	**-**	**35,414.30**
Current assets				
Inventories		51,041.46	-	51,041.46
Financial assets				
(i) Investments	2	895.91	32.08	927.99
(ii) Trade receivables	8	11,365.10	989.24	12,354.34
(iii) Cash and cash equivalents		513.52	-	513.52
(iv) Bank balances other than (iii) above		268.68	-	268.68
(v) Loans		107.23	-	107.23
(vi) Other financial assets		1,357.50	-	1,357.50
Other current assets	3	2,698.14	1.98	2,700.12
Total current assets		**68,247.54**	**1,023.30**	**69,270.84**
Total assets		**1,03,661.84**	**1,023.30**	**1,04,685.14**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,739.84	-	1,739.84
Other equity		23,788.71	415.07	24,203.78
Total equity		**25,528.55**	**415.07**	**25,943.62**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	3	7,246.38	(11.82)	7,234.56
(ii) Other financial liabilities		65.69	-	65.69
Provisions		741.14	-	741.14
Deferred tax liabilities (Net)	10	3,533.45	317.56	3,851.01
Other non-current liabilities		7.28	-	7.28
Total non- current liabilities		**11,593.94**	**305.74**	**11,899.68**
Current liabilities				
Financial Liabilities				
(i) Borrowings	8	27,671.88	989.24	28,661.12
(ii) Trade payables		27,584.73	-	27,584.73
(iii) Other financial liabilities	3	6,737.53	(58.54)	6,678.99
Other current liabilities		3,660.15	-	3,660.15
Provisions	5	885.06	(628.21)	256.85
Total current liabilities		**66,539.35**	**302.49**	**66,841.84**
Total equity and liabilities		**1,03,661.84**	**1,023.30**	**1,04,685.14**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

(ii) Reconciliation of equity as at March 31, 2017:

(Rs. lakhs)

Particulars	Foot Note reference	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	31,398.10	1,467.94	32,866.04
Capital work-in progress		330.93	-	330.93
Intangible assets		103.76	-	103.76
Financial assets				
(i) Investments in subsidiary and associate		613.40	-	613.40
(ii) Loans	4	342.67	(7.51)	335.16
(iii) Other financial assets		328.04	-	328.04
Non-current tax assets (net)		1,181.73	-	1,181.73
Other non-current assets	4	457.68	7.38	465.06
Total non-current assets		**34,756.31**	**1,467.81**	**36,224.12**
Current assets				
Inventories		55,517.70	-	55,517.70
Financial assets				
(i) Investments	2	199.76	24.42	224.18
(ii) Trade receivables	8	13,677.67	1,120.71	14,798.38
(iii) Cash and cash equivalents		504.10	-	504.10
(iv) Bank balances other than (iii) above		408.74	-	408.74
(v) Loans		96.54	-	96.54
(vi) Other financial assets		1,341.56	-	1,341.56
Other current assets		3,047.85	-	3,047.85
Total current assets		**74,793.92**	**1,145.13**	**75,939.05**
Total assets		**1,09,550.23**	**2,612.94**	**1,12,163.17**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,739.84	-	1,739.84
Other equity		33,504.95	1,264.37	34,769.32
Total equity		**35,244.79**	**1,264.37**	**36,509.16**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	3	2,517.22	11.26	2,528.48
(ii) Other financial liabilities		99.81	-	99.81
Provisions		832.20	-	832.20
Deferred tax liabilities (Net)	10	3,394.72	250.40	3,645.12
Other non-current liabilities		19.34	-	19.34
Total non- current liabilities		**6,863.29**	**261.66**	**7,124.95**
Current liabilities				
Financial Liabilities				
(i) Borrowings	8	34,417.36	1,120.71	35,538.07
(ii) Trade payables		25,417.12	-	25,417.12
(iii) Other financial liabilities	3	3,373.33	(33.80)	3,339.53
Other current liabilities		3,959.50	-	3,959.50
Provisions		274.84	-	274.84
Total current liabilities		**67,442.15**	**1,086.91**	**68,529.06**
Total equity and liabilities		**1,09,550.23**	**2,612.94**	**1,12,163.17**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

(iii) Reconciliation of total comprehensive income for the year ended March 31, 2017:

(Rs. lakhs)

Particulars	Foot Note reference	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
Revenue				
Revenue from operations	9	1,49,440.04	6,332.34	1,55,772.38
Other income	2,4,6	897.78	692.30	1,590.08
Total revenue		1,50,337.82	7,024.64	1,57,362.46

Expenses				
Cost of material consumed		82,027.60	-	82,027.60
Purchase of traded goods		10,775.39	-	10,775.39
Changes in inventories of finished goods, work-in-progress and traded goods		(4,064.15)	-	(4,064.15)
Excise duty	9	-	6,332.34	6,332.34
Employee benefits expense	7	13,077.11	(167.68)	12,909.43
Finance costs	3,6	**3060.35**	**745.16**	**3,805.51**
Depreciation and amortisation expense	1	1,774.41	134.95	1,909.36
Other expenses	4	28,540.80	3.94	28,544.74
Total expenses		1,35,191.51	7,048.71	1,42,240.22
Profit before tax		15,146.31	(24.07)	15,122.24
Tax expense				
Current tax expense		3,246.38	-	3,246.38
MAT credit entitlement		-	-	-
Deferred tax (credit)/ charge	10	(152.12)	(8.34)	(160.46)
Profit for the year		**12,052.05**	**(15.73)**	**12,036.32**
Other comprehensive income/(expense)				
Items that will not be reclassified to profit and loss				
Re-measurement (loss) on defined benefit obligation	7	-	(167.68)	(167.68)
Income tax pertaining to items that will not be reclassified to profit and loss	7, 10	-	58.03	58.03
Total other comprehensive income/ (expense), net of taxes		-	(109.65)	(109.65)
Total comprehensive income/ (expense)		12,052.05	(125.38)	11,926.67

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

(iv) Reconciliation of total equity as at March 31, 2017 and April 1, 2016:

Particulars	Notes	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Total equity (shareholders' funds) as per previous GAAP		**35,244.79**	**25,528.55**
Adjustments:			
Deemed cost of property, plant & equipment adjusted	1	1,602.89	-
Depreciation adjustment due to deemed cost assumption	1	(134.95)	
Unwinding of discount on security desposits	4	3.87	
Amortisation of deferred rent	4	(4.00)	
Investments in mutual funds recognised at fair value	2	24.42	32.08
Adjustment for transaction costs on long term borrowings	3	20.56	70.36
Recognition of prepaid transaction cost for undrawn borrowings	3	1.98	1.98
Proposed dividend (including corporate dividend tax)	5	-	628.21
Deferred tax adjustment	10	(250.40)	(317.56)
Total adjustments		**1,264.37**	**415.07**
Total equity as per Ind AS		**36,509.16**	**25,943.62**

(v) Reconciliation of total comprehensive income/ (expense) for the year ended March 31, 2017

Particulars	Notes	For the year ended 31.03.2017 Rs. lakhs
Profit after tax as per previous GAAP		**12,052.05**
Depreciation adjustment due to deemed cost assumption	1	(134.95)
Impact of measuring investments at fair value through profit or loss	2	(7.66)
Amortisation of debt origination cost through accretion of borrowings	3	(49.01)
Reclassification of acturial (gain)/loss arising in respect of defined benefit plan to other comprehensive income	7	167.68
Unwinding of discount on security desposits	4	3.87
Amortisation of deferred rent	4	(4.00)
Deferred tax impact of adjustment	10	8.34
Total adjustments		**(15.73)**
Profit after tax as per Ind AS		**12,036.32**
Other comprehensive income	7	**(109.65)**
Total comprehensive income as per Ind AS		**11,926.67**

(vi) Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016

There were no material differences between the statement of cash flows presented under Ind AS and the Previous GAAP except due to various re-classification adjustments recorded under Ind AS and difference in the definition of cash and cash equivalents under these two GAAPs.

C. Notes to the reconciliations:

1. Revaluation reserve set to zero on account of deemed cost exemption

Under previous GAAP, certain items of property, plant and equipment were revalued and a revaluation reserve was created. Under Ind AS, the revaluation reserve outstanding as at the date of transition (i.e. April 1, 2016) amounting to Rs. 1,602.89 lakhs have been recognised in retained earnings. The profit for the year ended March 31, 2017 decreased by Rs. 134.95 lakhs as a result of increased depreciation expense.

2. Fair valuation of investments in mutual funds

Under previous GAAP, investments in mutual funds were carried at lower of cost or market price. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments amounting to Rs. 32.08 lakhs have been recognised in total equity as at the date of transition (i.e. April 1, 2016). The profit for the year ended March 31, 2017 has decreased by Rs 7.66 lakhs and total equity for the year ended March 31, 2017 has increased by Rs. 24.42 lakhs due to the fair value changes.

3. Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at March 31, 2017 have been reduced by Rs. 20.56 lakhs (April 1, 2016 – Rs. 70.36 lakhs) with a corresponding increase in retained earnings. The transaction costs amounting to Rs. 1.98 lakhs on undrawn amount of borrowings have been recognised under other current assets as on 1 April, 2016 with a corresponding increase in retained earnings. The profit for the year ended March 31, 2017 reduced by Rs. 49.01 lakhs as a result of the additional interest expense based on the effective interest method.

4. Security deposits

Under Previous Indian GAAP, interest free security deposits (that are refundable in cash on completion of the term) are recorded at their transaction value. Under Ind AS, such financial assets are required to be recognised initially at their fair value and subsequently at amortised cost. Difference between the fair value and transaction value of the security deposit has been recognised as deferred rent. Consequent to this change the amount of security deposit as on March 31, 2017 has decreased by Rs.7.51 lakhs (April 1, 2016 : Rs. 11.38 lakhs) with a creation of deferred rent (included in other non-current and current assets) of Rs. 7.38 lakhs (April 1, 2016 : Rs. 11.38 lakhs). The unwinding of security deposit happens by recognition of a notional interest income in Statement of Profit and Loss at effective interest rate. The deferred rent gets amortised on a straight line basis over the term of the security deposits. The profit and total equity for the year ended March 31, 2017 decreased by Rs. 0.13 lakhs due to amortisation of deferred rent by Rs. 4.00 lakhs and increase in notional interest income of Rs. 3.87 lakhs recognised on security deposits (included in other income).

5. Proposed dividend

Under the previous GAAP upto March 31, 2016, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend and corporate dividend tax of Rs. Nil lakhs as at March 31, 2017 (April 1, 2016 – Rs. 628.21 lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

6. Government grant

Under the previous GAAP, interest expense was recorded net of interest subvention. Under Ind AS, the amount of interest expense is recorded on gross basis and the benefit of interest subvention is recorded as government grant under other income. As a result, other income for the year ended March 31, 2017 is increased by Rs. 696.08 lakhs with a corresponding increase in finance cost amounting to Rs. 696.08 lakhs. There is no impact on the total equity as at March 31, 2017.

7. Employee benefits: Remeasurement of post employment benefit plans

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss. Under previous GAAP these were forming part of the statement of profit and loss for the year. As a result. employee benefit expense to the extent of actuarial loss amounting to Rs. 109.65 lakhs (net of taxes) for the year ended March 31, 2017 has been reduced and the same has been reclassified to other comprehensive income. There is no impact on the total equity as at March 31, 2017.

8. Grossing up of bills discounting

Under previous GAAP, trade receivables and current borrowings were set -off on discounting of bills. Under Ind AS, such bills dicounting is presented on gross basis as these do not meet the conditions of set-off. Consequent to this change the amount of trade receivables as on March 31, 2017 has increased by Rs. 1120.71 lakhs (April 1, 2016 : Rs. 989.24 lakhs) with a corresponding increase in current borrowings by Rs. 1120.71 lakhs (April 1, 2016 : Rs. 989.24 lakhs). There is no impact on the total equity as at March 31, 2017.

9. **Revenue from operations**

Under previous GAAP, revenue from operations was disclosed net of excise duty on sales. Under Ind AS, revenue is shown gross of excise duty and the amount of excise duty is shown as expense in the statement of profit and loss. Consequent to this change the amount of revenue from operations for the year ended March 31, 2017 has increased by Rs. 6332.34 lakhs and a separate line item for expense on account of excise duty amounting to Rs. 6332.34 lakhs is presented in the statement of profit and loss. There is no impact on the total equity as at March 31, 2017.

10. **Deferred tax**

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

In addition, the various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in reserve and surplus or a separate component of equity. On the date of transition (i.e April 1, 2016), the net impact on deferred tax liabilities is of Rs. 317.56 lakhs (March 31, 2017: Rs. 250.40 lakhs). The profit and total equity for the year ended March 31, 2017 increased by Rs. 67.16 lakhs due to differences in taxable profits and accounting profits.

11. **Other comprehensive income**

Under previous GAAP, there was no requirement to disclose any item of statement of profit and loss in other comprehensive income. However as per requirement of Ind AS certain items of profit or loss are to be reclassified to other comprehensive income. Consequent to this, the Company has reclassified remeasurement of defined benefit plans from the statement of profit and loss to other comprehensive income.

49. Research and development expenses amounting to Rs. 472.95 lakhs (March 31, 2017: Rs. 170.33 lakhs) have been charged to the respective revenue accounts. Capital expenditure relating to research and development amounting to Rs. 48.61 lakhs (March 31, 2017: Rs. 18.05 lakhs) has been included in property, plant and equipment.

50. Parties covered under "The Micro, Small and Medium Enterprise Development Act, 2006" (MSMED Act, 2006) have been identified on the basis of confirmation received.
Based upon the information available, the balance due to the Micro and Small Enterprises as defined under the MSMED Act, 2006 is Rs. Nil (March 31, 2017: Rs. Nil, April 1, 2016: Rs. Nil). Further no interest during the year has been paid or is payable under the terms of the MSMED Act, 200**6.**

51. Disclosures related to government grant

The government grant/government assistance recognised are as under:

Nature of Grant/assistance	**Income Head**	**For the year ended 31.03.2018 Rs. lakhs**	For the year ended 31.03.2017 Rs. lakhs
Benefit of subvention on loan interest	Other income	**350.42**	696.08

52. Immovable properties of Rs. 888.99 lakhs yet to be endorsed in the name of Company are as under:

Rs. lakhs

Particluars	**Amount as on March 31, 2018**	**Remarks**
"Land situated at Daurala, Uttar Pradesh (UP) and Kota, Rajasthan"	844.04 *	Vested in the Company pursuant to a Scheme of Arrangement of erstwhile DCM Limited
Land situated at Daurala, UP	44.95	The title deeds are in the name of Daurala Organics Limited which was merged with the Company under section 391 to 394 of the Companies Act, 1956 in terms of approval of Honorable High Court

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

53. The details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November 2016 to 30th December, 2016 are as under :

Rs. lakhs

Particulars	SBNs	Other Denominations Notes	Total
Closing cash in hand as on 8.11.2016	42.63	7.39	50.02
(+) Permitted Receipts	-	82.95	82.95
(-) Permitted Payments	-	66.64	66.64
(-) Amount Deposited in banks	42.63	-	42.63
Closing cash in hand as on 30.12.2016	-	23.70	23.70

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.:
101248W/W-100022
Kaushal Kishore
Partner
Membership No.: 090075
Place : New Delhi
Date : 29.5.2018

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager &
Company Secretary

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

Tilak Dhar
Chairman & Managing Director

Alok B. Shriram
Vice Chairman &
Dy. Managing Director

P.R. Khanna
Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DCM SHRIRAM INDUSTRIES LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of DCM Shriram Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), and its associate which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated State of Affairs, Consolidated Profit and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Cash Flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS 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 Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and of its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Consolidated Ind AS 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 Group and its associate to cease to continue as a going concern.

We believe that the audit evidence obtained by us is sufficient and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph 2 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

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 and on the other financial information of the subsidiary and associate, the aforesaid Consolidated Ind AS Financial Statements give the information required by the 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 2018 and their Consolidated Profit and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Cash Flows for the year ended on that date.

Other Matter

1. The comparative financial information of the Group and its associate for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these Consolidated Ind AS Financial Statements are based on the previously issued Statutory Financial Statements prepared in accordance with the Accounting Standards specified under section 133 of the Companies Act 2013, audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 23 May 2017 and 30 May 2016 respectively expressed an unmodified opinion on those Consolidated Financial Statements, as adjusted for the differences in the accounting principles adopted by the Group and its associate on transition to the Ind AS, which have been audited by us.

2. We did not audit the financial statements and other financial information, in respect of the subsidiary viz. Daurala Foods and Beverages Private Limited included in the Consolidated Ind AS Financial Statements whose Financial Statements reflect total assets of Rs.1078.58 Lakhs and net assets of Rs. 1077.74 Lakhs as at 31 March 2018, total revenues of Rs. 86.25 Lakhs and net Cash flows amounting to Rs.155.49 Lakhs for the year ended 31 March 2018. The Consolidated Ind AS Financial Statements also include the Group's share of net loss and other comprehensive income/ (loss) of Rs. (928.93) Lakhs for the year ended 31 March 2018 in respect of one associate viz. DCM Hyundai Limited, whose financial statements have not been audited by us. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associate and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary and associate is based solely on the reports of the other auditors.

Our opinion on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the other auditors on separate financial statements and the other financial information of subsidiary and associate, 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 Ind AS Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS 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 and 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 Ind AS Financial Statements.

d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards 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 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company and associate, none of the directors of the Holding Company, subsidiary company and associate is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and associate incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) 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 report of the other auditors on separate Financial Statements as also the other Financial Information of the subsidiary and associate, as noted in the 'Other matter' paragraph:

   i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the Consolidated Financial Position of the Group and its associate. – Refer Note 42 to the Consolidated Ind AS Financial Statement;

   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 2018;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary and its associate; and

   iv. The disclosures in the Consolidated Ind AS Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Consolidated Financial Statements for the year ended 31 March 2017 have been disclosed. – Refer Note 56 to the Consolidated Ind AS Financial Statement.

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

Kaushal Kishore
Partner
(Membership No. 090075)

Place : New Delhi
Date : May 29, 2018

Annexure A to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of DCM Shriram Industries Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS Financial Statements as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to the Consolidated Ind AS Financial Statements of DCM Shriram Industries Limited (hereinafter referred to as "the Company or the Holding Company"), its subsidiary company and associate, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company and associate, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to the Consolidated Ind AS 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Consolidated Ind AS Financial Statements based on our audit.We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI.

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 the Consolidated Ind AS Financial Statements was 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 system with reference to the Consolidated Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Ind AS Financial Statements, 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 Consolidated Ind AS 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 system with reference to the Consolidated Ind AS Financial Statements.

Meaning of Internal Financial Controls with reference to the Consolidated Ind AS Financial Statements

A company's internal financial control with reference to the Consolidated Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of Financial Statements and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control reference to the Consolidated Ind AS Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial

Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Consolidated Ind AS 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 the Consolidated Ind AS Financial Statements to future periods are subject to the risk that the internal financial control with reference to the Consolidated Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary company and associate, have, in all material respects, an adequate internal financial controls system with reference to the Consolidated Ind AS Financial Statements and such internal financial controls with reference to the Consolidated Ind AS Financial Statements were operating effectively as at 31 March 2018, based on the internal control with reference to the Consolidated Ind AS Financial Statements criteria established by the Holding 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the Consolidated Ind AS Financial Statements insofar as it relates to one subsidiary company, and one associate, is based on the corresponding reports of the auditors of such subsidiary company and associate. Our report is not modified in respect of this matter.

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

Kaushal Kishore
Partner
(Membership No. 090075)

Place : New Delhi
Date : May 29, 2018

Consolidated Balance Sheet as at March 31, 2018

Particulars	Note No.	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
ASSETS				
Non-current assets				
Property, plant and equipment	3	**32,940.27**	32,826.57	31,961.95
Capital work-in progress	3	**1,781.71**	330.93	753.28
Intangible assets	4	**100.19**	103.76	124.82
Equity accounted investees	5	**2,342.10**	3,271.02	1,558.65
Financial assets				
(i) Investments	6	**-**	-	-
(ii) Loans	7	**494.12**	335.16	319.24
(iii) Other financial assets	8	**159.66**	328.04	129.57
Income-tax assets (net)	9	**1,812.73**	1,183.44	989.80
Other non-current assets	10	**466.38**	465.06	502.77
Total non-current assets		**40,097.16**	38,843.98	36,340.08
Current assets				
Inventories	11	**49,605.54**	55,517.70	51,041.46
Financial assets				
(i) Investments	12	**-**	224.18	927.99
(ii) Trade receivables	13	**16,488.27**	14,798.38	12,354.34
(iii) Cash and cash equivalents	14	**867.39**	515.14	531.13
(iv) Other bank balances	15	**1,053.56**	878.19	590.73
(v) Loans	16	**611.91**	536.54	587.23
(vi) Other financial assets	17	**928.96**	1,373.62	1,388.62
Other current assets	18	**2,430.59**	3,047.84	2,700.14
Total current assets		**71,986.22**	76,891.59	70,121.64
TOTAL ASSETS		**1,12,083.38**	1,15,735.57	1,06,461.72
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	19	**1,739.84**	1,739.84	1,739.84
Other equity	20	**41,654.39**	38,255.88	25,911.63
Total equity		**43,394.23**	39,995.72	27,651.47
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	21	**3,202.55**	2,528.48	7,234.56
(ii) Other financial liabilities	22	**90.97**	99.81	65.69
Provisions	23	**1,020.96**	832.20	741.14
Deferred tax liabilities (net)	39	**3,313.20**	3,730.27	3,919.05
Other non-current liabilities	24	**32.28**	19.34	7.28
Total non- current liabilities		**7,659.96**	7,210.10	11,967.72
Current liabilities				
Financial liabilities				
(i) Borrowings	25	**36,090.76**	35,538.07	28,661.12
(ii) Trade payables	26	**19,795.60**	25,417.75	27,585.35
(iii) Other financial liabilities	27	**3,378.55**	3,339.53	6,678.99
Other current liabilities	28	**1,356.04**	3,959.56	3,660.22
Provisions	29	**408.24**	274.84	256.85
Total current liabilities		**61,029.19**	68,529.75	66,842.53
TOTAL EQUITY AND LIABILITIES		**1,12,083.38**	1,15,735.57	1,06,461.72
Significant Accounting Policies	2A			

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

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore
Partner
Membership No.: 090075

Place : New Delhi
Date : 29.5.2018

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager & Company Secretary

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

Tilak Dhar
Chairman & Managing Director

P.R. Khanna
Director

Alok B. Shriram
Vice Chairman & Dy. Managing Director

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Note No.	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Revenue			
Revenue from operations	30	**1,72,626.42**	1,55,772.38
Other income	31	**1,624.99**	1,677.79
Total revenue		**1,74,251.41**	1,57,450.17
Expenses			
Cost of material consumed	32	**1,02,596.67**	82,027.60
Purchase of traded goods	33	**12,089.89**	10,775.39
Changes in inventories of finished goods and work-in-progress	34	**4,355.26**	(4,064.15)
Excise duty		**2,183.29**	6,332.34
Employee benefits expense	35	**12,630.74**	12,909.43
Finance costs	36	**2,814.32**	3,805.56
Depreciation and amortisation expense	37	**1,924.16**	1,907.47
Other expenses	38	**28,705.17**	28,541.92
Total expenses		**1,67,299.50**	1,42,235.56
Profit before share of profit of equity accounted investees and tax		**6,951.91**	15,214.61
Share of profit of equity accounted investees (net of tax)		**68.45**	57.75
Profit before tax		**7,020.36**	15,272.36
Tax expense			
Current tax expense	39	**1,518.30**	3,268.99
MAT credit entitlement		**(368.18)**	-
Deferred tax (credit)/ charge	39	**2.80**	(157.04)
		1152.92	3111.95
Profit for the year		**5,867.44**	12,160.41
Other comprehensive income/(expense)			
Items that will not be reclassified to profit and loss			
Re-measurement (loss) on defined benefit obligation		**(168.88)**	(167.68)
Income tax pertaining to items that will not be reclassified to profit or loss		**58.45**	58.03
Share of OCI of equity accounted investees (net of tax)		**(997.38)**	1,654.62
Total other comprehensive income/ (expense)		**(1,107.81)**	1,544.97
Total comprehensive income		**4,759.63**	13,705.38
Profit for the year attributable to	51		
- Owners of the Company		**5,867.44**	12,160.41
- Non-controlling interest		**-**	-
Other comprehensive income/(expense) for the year attributable to	51		
- Owners of the Company		**(1,107.81)**	1,544.97
- Non-controlling interest		**-**	-
Total comprehensive income for the year attributable to	51		
- Owners of the Company		**4,759.63**	13,705.38
- Non-controlling interest		**-**	-
Earnings per equity share - basic and diluted (Rs.)	44	**33.73**	69.89
Significant Accounting Policies	2A		

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

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore
Partner
Membership No.: 090075

Place : New Delhi
Date : 29.5.2018

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager & Company Secretary

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

Tilak Dhar
Chairman & Managing Director

Alok B. Shriram
Vice Chairman & Dy. Managing Director

P.R. Khanna
Director

Consolidated Statement of Cash Flow for the year ended March 31, 2018

Particulars	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Cash Flows From Operating Activities		
Profit before tax	**7,020.36**	15,272.36
Adjustments for :		
Depreciation and amortisation	**1,924.16**	1,907.47
Finance costs	**2,814.32**	3,805.56
Interest income	**(174.53)**	(172.93)
Interest received against subvention	**(350.42)**	(696.08)
Deferrred rent amortisation	**1.30**	1.80
Loss on sale of property, plant and equipments / discarded assets (net)	**49.05**	143.46
Share of profit of equity accounted investees (net of tax)	**(68.45)**	(57.75)
Profit on sale of current investments	**(60.23)**	(17.47)
Net gain on fair value of investments	**-**	(18.14)
Operating profit before changes in assets and liabilities	**11,155.56**	20,168.28
Changes in operating assets and liabilities		
(Decrease) in trade payables	**(5,622.15)**	(2,167.61)
(Decrease) / Increase in other financial liabilities	**5.11**	(149.21)
(Decrease) / Increase in other liabilities and provisions	**(2,437.29)**	252.73
(Increase) in trade receivables	**(1,689.89)**	(2,444.04)
Decrease / (Increase) in inventories	**5,912.16**	(4,476.24)
Decrease / (Increase) in financial assets	**254.70**	(164.61)
Decrease / (Increase) in other assets	**880.57**	(184.93)
Cash generated from operations	**8,458.77**	10,834.37
Net income tax paid	**(2,140.84)**	(3,436.34)
Net cash from operating activities (A)	**6,317.93**	7,398.03
Cash Flows From Investing Activities		
Capital expenditure on property, plant and equipments, including capital advances	**(3,862.08)**	(2,697.24)
Proceeds from sale of property, plant and equipments	**163.07**	58.96
Purchase of current investments	**(9,964.00)**	-
Proceeds from sale of current investments	**10,248.41**	739.42
Changes in other bank balances	**(175.36)**	(287.46)
Interest received	**148.53**	148.83
Inter corporate deposits received back	**150.00**	40.00
Net cash used in investing activities (B)	**(3,291.43)**	(1,997.49)
Cash Flows From Financing Activities		
Proceeds from long term borrowings	**3,531.13**	318.11
Repayment of long term borrowings	**(2,992.60)**	(8,099.67)
Proceeds from current borrowings	**552.69**	6,876.95
Finance costs paid (net of subvention)	**(2,438.04)**	(3,177.80)
Dividend paid	**(1,097.21)**	(1,103.89)
Corporate distribution tax paid	**(230.22)**	(230.23)
Net cash used in financing activities (C)	**(2,674.25)**	(5,416.53)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**352.25**	(15.99)
Cash and cash equivalents at the beginning of the year	**515.14**	531.13
Cash and cash equivalents at the end of the year	**867.39**	515.14
Component of cash and cash equivalents		
Balances with scheduled banks:		
- Current accounts	**834.96**	484.80
Cash in hand	**32.43**	30.34
Cash and cash equivalents at the close of the year	**867.39**	515.14

Contd. on next page

Consolidated Statement of cash flow for the year ended March 31, 2018 (contd.)

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

Rs. lakhs

Particulars	Non-current borrowings*	Current borrowings*
Opening balance as at April 1,2017	**5,415.86**	**35,538.07**
Cash flows during the year	**485.27**	**(1,832.09)**
Non-cash changes due to:		
- Interest accrued (net of subvention)	**58.06**	**2,384.78**
- Transaction costs on borrowings amortised	**21.06**	**-**
Closing balance as at March 31,2018	**5,980.25**	**36,090.76**

* Includes current maturities of non-current borrowings and interest accrued thereon, refer Note 27.

Notes

1. The consolidated cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows ".
2. Amendment to Ind AS 7: Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which requires the entities to provide disclosures that enable users of these consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the consolidated financial statements.
3. Refer Note 38 for Corporate Social Responsibility expense.

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.:
101248W/W-100022
Kaushal Kishore
Partner
Membership No.: 090075
Place : New Delhi
Date : 29.5.2018

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager &
Company Secretary

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

Tilak Dhar
Chairman & Managing Director

Alok B. Shriram
Vice Chairman &
Dy. Managing Director

P.R. Khanna
Director

DCM SHRIRAM

A. Equity share capital

Particulars	(Rs.lakhs)
Balance as at April 1, 2016	1,739.84
Changes in equity share capital during the year ended March 31, 2017	-
Balance as at March 31, 2017	1,739.84
Changes in equity share capital during the year ended March 31, 2018	-
Balance as at March 31, 2018	**1,739.84**

B. Other equity (Rs.lakhs)

Particulars	Reserve and surplus						Items of Other Comprehensive Income	Total
	Amalgamation reserve	General reserve	Capital redemption reserve	Capital reserve	Securities Premium account	Retained Earnings		
Balance as at April 1, 2016 (refer note 49)	1,411.38	13,465.60	0.10	234.89	3,406.68	7,392.98	-	25,911.63
Profit for the year	-	-	-	-	-	12,160.41	-	12,160.41
Other comprehensive income / (expense) for the year	-	-	-	-	-	-	1,544.97	1,544.97
Total comprehensive income for the year	1,411.38	13,465.60	0.10	234.89	3,406.68	19,553.39	1,544.97	39,617.01
Transactions with shareholders, recorded directly in equity								
Distribution to shareholders								
Interim dividend on equity shares	-	-	-	-	-	(608.95)	-	(608.95)
Dividend distribution tax on interim dividend	-	-	-	-	-	(123.97)	-	(123.97)
Final dividend on equity shares	-	-	-	-	-	(521.95)	-	(521.95)
Dividend distribution tax on final dividend	-	-	-	-	-	(106.26)	-	(106.26)
Balance as at March 31, 2017	1,411.38	13,465.60	0.10	234.89	3,406.68	18,192.26	1,544.97	38,255.88
Balance as at April 1, 2017	1,411.38	13,465.60	0.10	234.89	3,406.68	18,192.26	1,544.97	38,255.88
Profit for the year	-	-	-	-	-	5,867.44	-	5,867.44
Other comprehensive income / (expense) for the year	-	-	-	-	-	-	(1,107.81)	(1,107.81)
Total comprehensive income for the year	1,411.38	13,465.60	0.10	234.89	3,406.68	24,059.70	437.16	43,015.51
Transactions with shareholders, recorded directly in equity								
Distribution to shareholders								
Dividend on equity shares	-	-	-	-	-	(1,130.90)	-	(1,130.90)
Dividend distribution tax	-	-	-	-	-	(230.22)	-	(230.22)
Balance as at March 31, 2018	1,411.38	13,465.60	0.10	234.89	3,406.68	22,698.58	437.16	41,654.39

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

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore
Partner
Membership No.: 090075

Place : New Delhi
Date : 29.5.2018

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager & Company Secretary

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

Tilak Dhar
Chairman & Managing Director

Alok B. Shriram
Vice Chairman & Dy. Managing Director

P.R. Khanna
Director

1. Corporate Information

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

2 Principles of consolidation and Basis of Preparation

2.1 Principles of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

(i) Subsidiaries :

Subsidiaries are the entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interest in the results and equity of the subsidiary are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

ii) Equity accounted investees

The Group's interest in equity accounted investees comprise interest in associate.

An associate is an entity over which the group has significant influence but not control or joint control over the financial and operating policies.

Investments in associate are accounted for using the equity method of accounting. It is initially recognized at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income (OCI) of equity accounted investees until the date on which significant influence ceases.

The details of the companies included in the consolidation and the Parent Company's holding therein is as under:

S. No.	Name of the Company	Nature of relation	Ownership in % either directly or through subsidiary			Country of Incorporation
			2017-18	2016-17	2015-16	
1	Daurala Foods and Beverages Pvt. Ltd. (DFBPL)	Subsidiary	100	100	100	India
2	DCM Hyundai Limited (DHL)	Associate	49.28	49.28	49.28	India

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with that of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment ('PPE'), are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statement of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

2.2 Basis of preparation of consolidated financial statements

a) Statement of Compliance

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

For all the periods up to and including March 31, 2017, these consolidated financial statements were prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act ("Previous GAAP"). As these consolidated financial statements for the year ended March 31, 2018 are the Company's first consolidated financial statements prepared in accordance with Ind AS, Ind AS 101, First time adoption of Indian Accounting standards has been applied. An explanation of how the transition to Ind AS has effected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 49.

These consolidated financial statements of the Group for the year ended March 31, 2018 are approved by the Company's Audit Committee and by the Board of Directors on May 29, 2018.

b) Functional and presentation currency

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

c) Basis of measurement

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

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

d) Critical accounting estimates and judgements

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

- Recognition and estimation of tax expense including deferred tax- Note 39.
- Assessment of useful life of property, plant and equipment and intangible asset- Note 2A(b) & (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)
- 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 2(p)
- Impairment of non-financial assets-Note 2(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.

b) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

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

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

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

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

(ii) Transition to Ind AS

The Group has elected to avail the option under Ind AS 101 by not applying the provisions of Ind AS 16 retrospectively and continue to use the Previous GAAP carrying amount as the deemed cost under Ind AS on the date of transition to Ind AS. Therefore, the Previous GAAP carrying amounts of items of property, plant and equipment as at April 1, 2016 (the Group's date of transition to Ind AS) have been considered as the carrying amounts under Ind AS on April 1, 2016. Refer Note 49.

(iii) 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.

(iv) Depreciation

Depreciation is provided on a pro-rata basis using the straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013. Assets costing up to Rs. 0.05

lakhs are fully depreciated in the year of purchase. No depreciation is provided on assets sold, discarded, etc. during the year.

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

c) Intangible assets

(i) Recognition and initial measurement

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

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

(ii) Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognized as at April 1, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such intangible assets (Refer Note 49).

(iii) Subsequent Expenditure

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

(iv) Amortisation

Intangible assets, being computer software are amortised in the consolidated statement of profit and loss over the estimated useful life of 5 years using the straight line method.The amortisation method and the useful lives of intangible assets are reviewed annually and adjusted as necessary.

d) Inventories

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

e) Revenue recognition

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

However, sales tax/ value added tax (VAT)/ Goods and Services Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, inclusive of excise duty and exclusive of Goods and Services tax (GST), Sales Tax, Value Added Taxes (VAT) and is net of returns, allowances, trade discounts and volume rebates.

Revenue is recognized;

- when the significant risks and rewards of ownership have been transferred to the buyer,
- recovery of the consideration is probable,
- the associated costs and possible return of goods can be estimated reliably,
- there is no continuing effective control over, or managerial involvement with, the goods, and
- the amount of revenue can be measured reliably.

The timing of transfers of risks and rewards varies depending on the individual terms of sale.

Rendering of services

Revenue from services rendered is recognized in the consolidated statement of profit and loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in the consolidated statement of profit and loss.

Dividends

Revenue is recognized when the Group’s right to receive the payment is established.

Sale of Renewable Energy Certificates (RECs) is recognised as income on delivery of the RECs to customer's account as evidenced by confirmation of delivery instructions.

f) Income tax

Income tax expense comprises current and deferred tax. It is recognised in the consolidated statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income (OCI).

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

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

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:
  - temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss at the time of the transaction;
  - temporary differences related to freehold land to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
  - taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

g) Employee benefits

i) Short-term benefits

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

ii) Defined contribution plans

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

iii) Defined benefit plans

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

Gratuity

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

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

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

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

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

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

iv) Other long-term employee benefits

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

Re-measurements are recognised in consolidated statement of profit and loss in the period in which they arise.

h) Government Grants

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

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

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

i) Foreign currency transactions and translation

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

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

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

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

The derivative financial instruments such as forward exchange contracts to hedge its risk associated with foreign currency fluctuations are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to the consolidated statement of profit 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").

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

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

k) Provisions and contingent liabilities

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

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

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

l) Borrowing cost

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

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

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

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

m) Leases

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

Finance leases

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

Operating leases

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

n) Earnings per share (EPS)

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

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

o) Segment reporting

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

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

The Executive Committee, comprising of Chairman and Managing Director, Whole Time Directors, Business Heads, Chief Financial Officer and Company Secretary is collectively the Group’s ‘Chief Operating Decision Maker’ or ‘CODM’ within the meaning of Ind AS 108. All operating segments’ operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segments and assess their performance. Refer Note 40 for segment information.

p) Financial instruments

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

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

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

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

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

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

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

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

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

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on:

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

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

q) Cash and cash equivalents

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

r) Research and development

Expenditure on research and development activities is recognized in the consolidated statement of profit and loss as incurred.

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

s) Recent accounting pronouncements

A. Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. Key aspects are as follow:

i. Sales of goods

For the sale of products, revenue is currently recognised when the risks and rewards of ownership are transferred which generally coincides with dispatch of goods. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods.

For certain contracts that permit the customer to return an item, revenue is currently recognised when a reasonable estimate of the returns can be made, provided that all other criteria for revenue recognition are met. If a reasonable estimate cannot be made, then revenue recognition is deferred until the return period lapses or a reasonable estimate of returns can be made.

Under Ind AS 115, revenue will be recognised for these contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Group is unable to make a reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made. A refund liability and an asset for recovery will be recognised for these contracts and presented separately in the balance sheet.

ii. Rendering of services

The group is also in the business of undertaking Job work as well as performing related services. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services. Revenue is currently recognised using the stage-of-completion method.

Under Ind AS 115, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which the Group sells the services in separate transactions.

iii. Transition

The Group plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. April 1, 2018) in retained earnings. As a result, the Group will not present relevant individual line items appearing under comparative period presentation.

B. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment has come into force from April 1, 2018.

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

(Rs.lakhs)

Particulars	Freehold land	Leasehold land	Build-ings	Plant and equipment	Vehicles	Office equipment	Furniture and fixtures	Total	Capital work-in-progress
Gross carrying amount									
Deemed cost as at April 1, 2016	789.26	465.35	3,743.71	26,164.96	465.51	259.82	73.34	31,961.95	753.28
Balance as at April 1, 2016	789.26	465.35	3,743.71	26,164.96	465.51	259.82	73.34	31,961.95	753.28
Add: Additions during the year	-	-	269.70	2,373.33	202.97	76.41	21.08	2,943.49	2,599.52
Less: Disposals /Adjustments Capitalised during the year	-	-	-	201.67	15.75	2.14	0.81	220.37	3,021.87
Balance as at March 31, 2017	789.26	465.35	4,013.41	28,336.62	652.73	334.09	93.61	34,685.07	330.93
Add: Additions during the year	-	-	347.73	1,596.89	181.67	60.75	29.56	2,216.60	3,487.13
Less: Disposals /Adjustments / Capitalised during the year	-	-	2.37	196.54	29.87	4.25	2.27	235.30	2,036.35
Balance as at March 31, 2018	**789.26**	**465.35**	**4,358.77**	**29,736.97**	**804.53**	**390.59**	**120.90**	**36,666.37**	**1,781.71**
Accumulated depreciation									
Balance as at April 1, 2016	-	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	-	163.08	1,491.54	106.39	90.23	25.22	1,876.46	-
Less: Disposals / adjustments during the year	-	-	-	17.96	-	-	-	17.96	-
Balance as at March 31, 2017	-	-	163.08	1,473.58	106.39	90.23	25.22	1,858.50	-
Add: Depreciation expense for the year	-	-	178.84	1,516.89	107.08	60.51	27.47	1,890.79	-
Less: Disposals / adjustments during the year	-	-	-	13.60	8.22	0.80	0.57	23.19	-
Balance as at March 31, 2018	**-**	**-**	**341.92**	**2,976.87**	**205.25**	**149.94**	**52.12**	**3,726.10**	**-**
Net carrying value									
As at March 31, 2018	**789.26**	**465.35**	**4,016.85**	**26,760.09**	**599.28**	**240.65**	**68.78**	**32,940.27**	**1,781.71**
As at March 31, 2017	789.26	465.35	3,850.33	26,863.04	546.34	243.86	68.39	32,826.57	330.93
As at April 1, 2016	789.26	465.35	3,743.71	26,164.96	465.51	259.82	73.34	31,961.95	753.28

Notes:

1) For Contractual commitments with respect to capital work-in-progress, refer note 41(B).
2) For details on PPE mortgaged/charged against borrowings, refer note 20.

4. Intangible assets

(Rs.lakhs)

Particulars	Software
Gross carrying amount	
Deemed cost as at April 1, 2016	**124.82**
Add: Additions during the year	**9.95**
Less: Disposals / adjustments during the year	**-**
Balance as at March 31, 2017	**134.77**
Add: Additions during the year	**29.80**
Less: Disposals / adjustments for the year	**-**
Balance as at March 31, 2018	**164.57**
Accumulated amortisation	
Balance as at April, 1, 2016	**-**
Amortisation expense for the year	**31.01**
Less: Disposals / adjustments during the year	**-**
Balance as at March 31, 2017	**31.01**
Add: Amortisation expense for the year	**33.37**
Less: Disposals / adjustments during the year	**-**
Balance as at March 31, 2018	**64.38**
Net carrying value	
As at March 31, 2018	**100.19**
As at March 31, 2017	103.76
As at April 1, 2016	124.82

5. Equity accounted investees

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Investments in equity shares of associate			
Unquoted equity instruments			
DCM Hyundai Limited			
19,72,000 (March 31, 2017: 19,72,000, April 1, 2016: 19,72,000) equity shares of face value of Rs. 10 each, fully paid up	**166.00**	166.00	166.00
Add: Group's share of net profits	**2,176.10**	3,105.02	1,392.65
Total	**2,342.10**	3,271.02	1,558.65

6. Investments

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Investment in equity instruments- Trade investment			
Unquoted equity instruments			
Daurala Co-operative Development Union Limited			
2 (March 31, 2017: 2, April 1, 2016: 2) equity shares of face value of Rs. 10 each, fully paid up @ (Rs. 20)	**@**	@	@
Sub total	**-**	-	-
Investments in preference shares			
Unquoted instruments			
Preference shares at Fair value through Profit or loss			
Versa Trading Limited			
7,00,000 (March 31, 2017: 7,00,000, April 1, 2016: 7,00,000) 5% redeemable non-cumulative preference shares of Rs. 100 each fully paid	**700.00**	700.00	700.00
Impairment in the value of investments			
Versa Trading Limited	**700.00**	700.00	700.00
Sub total	**-**	-	-
Total	**-**	-	-
Aggregate value of non-current unquoted investments (net of impairment)	**-**	-	-
Aggregate amount of impairment in the value of investments	**700.00**	700.00	700.00

7. Loans
(unsecured, considered good unless otherwise stated)

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
To related parties			
Security deposits	**42.46**	44.51	46.14
To parties other than related parties			
Security deposits	**425.78**	262.33	244.02
Loans to employees	**23.66**	28.04	29.08
Others	**2.22**	0.28	-
Total	**494.12**	335.16	319.24

Notes to the Consolidated financial statements for the year ended March 31, 2018 (continued)

8. Other financial assets

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Bank deposits	**6.42**	6.42	25.44
Bank deposits held as margin money or security against borrowings, guarantees and other commitments	**153.24**	321.62	101.23
Others	**-**	-	2.90
Total	**159.66**	328.04	129.57

9. Income tax assets (net)

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Advance income tax (net of provision)	**1,812.73**	1,183.44	989.80
Total	**1,812.73**	1,183.44	989.80

10. Other non-current assets

(unsecured, considered good unless otherwise stated)

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Capital advances	**436.51**	170.56	43.70
Advance other than capital advances			
- Deferred rent	**6.82**	9.58	11.38
- Balance with government authorities	**7.77**	275.08	437.43
Other advances	**15.28**	9.84	10.26
Doubtful	**1.30**	1.30	1.30
Other advances	**467.68**	466.36	504.07
Less: Loss allowance for advances	**1.30**	1.30	1.30
Total	**466.38**	465.06	502.77

11. Inventories

(Valued at lower of cost and net realisable value)

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Raw material*	**3,805.86**	6,319.78	5,631.88
Work in progress	**1,416.82**	1,372.29	1,257.21
Finished goods**#	**40,278.01**	44,677.80	40,728.73
Stores and spares	**4,104.85**	3,147.83	3,423.64
Total	**49,605.54**	55,517.70	51,041.46

* Includes raw material in transit Rs. 301.71 lakhs (March 31, 2017: Rs. 356.95 lakhs, April 1, 2016: Rs. 25.15 lakhs)

** Includes finished goods in transit Rs. 263.13 lakhs (March 31, 2017: Rs. 686.24 lakhs, April 1, 2016: Rs. 581.07 lakhs)

The write-down of inventories to net realisable value during the year amounted to Rs. 6,686.93 lakhs (31 March 2017: Rs. Nil, 1 April 2016: Rs. Nil). The write-down is included in changes in inventories of finished goods.

12. Investments

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Investment in mutual funds at fair value through profit and loss account			
Unquoted investment			
Nil (March 31, 2017: 70353.178, April 1, 2016: 146900.049) Birla Sunlife Saving Fund - Growth Regular Plan Units of Rs. 10 each	**-**	224.18	430.22
Nil (March 31, 2017: Nil, April 1, 2016: 800234.423) HSBC Ultra Short Term Bond Fund - Growth units of Rs. 10 each	**-**	-	106.97
Nil (March 31, 2017: Nil, April 1, 2016: 1572327.044) HSBC Income Fund - Short Plan Growth units of Rs. 10 each	**-**	-	390.80
Total	**-**	224.18	927.99
Aggregate value of current unquoted investments	**-**	224.18	927.99

13. Trade receivables

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Secured, considered good	**-**	-	-
Unsecured, considered good	**16,488.27**	14,798.38	12,354.34
Doubtful	**29.97**	29.97	39.33
	16,518.24	14,828.35	12,393.67
Less : Loss allowance for trade receivables	**29.97**	29.97	39.33
Total	**16,488.27**	14,798.38	12,354.34

The Group's exposure to credit and currency risks are disclosed in Note 47.

14. Cash and cash equivalents

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Balances with banks		-	-
- On current accounts	**834.96**	484.80	498.11
Cash on hand	**32.43**	30.34	33.02
Total	**867.39**	515.14	531.13

15. Other bank balances

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Deposits with original maturity of more than three months but upto twelve months			
- in deposit accounts	**570.66**	573.04	448.79
- earmarked deposits held as margin money or security against borrowings, guarantees and other commitments	**151.43**	62.48	18.19
Earmarked deposits with original maturity of more than twelve months	**191.70**	116.87	37.11
Earmarked balances with banks - unpaid dividend accounts	**139.77**	106.08	79.07
Other earmarked deposits	**-**	19.72	7.57
Total	**1,053.56**	878.19	590.73

16. Loans

(unsecured, considered good unless otherwise stated)

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
To parties other than related parties			
Security deposits	**0.02**	0.02	1.20
Loans to employees (including accrued interest)	**48.29**	3.00	5.95
Inter-corporate deposits *	**490.00**	440.00	480.00
Others	**73.60**	93.52	100.08
Total	**611.91**	536.54	587.23

* Given for operational requirements at market rate of interest. These are repayable in one year except Rs. 200 lakhs repayable on demand.

17. Other financial assets

(unsecured, considered good unless otherwise stated)

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Interest accrued on term deposits	**74.66**	58.51	31.21
Interest accrued on intercorporate deposits	**25.92**	16.08	19.28
Unbilled revenue	**663.49**	714.33	637.01
Claims receivable	**99.99**	584.54	626.75
Others	**64.90**	0.16	74.37
Total	**928.96**	1,373.62	1,388.62

18. Other current assets

(unsecured, considered good unless otherwise stated)

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Advances to contractors	**447.80**	620.76	414.60
Other advances			
- Advance to employees	**23.04**	21.04	17.44
- Balance with government authorities	**1,658.00**	2,049.19	1,878.49
- Prepaid transaction cost	**32.68**	-	1.98
- Prepaid expense	**170.99**	186.23	155.02
- Others	**98.08**	170.62	232.61
Total	**2,430.59**	3,047.84	2,700.14

19. Equity share capital

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
a) Authorised			
6,50,00,000 (March 31, 2017: 6,50,00,000, April 1, 2016: 6,50,00,000) equity shares of Rs. 10 each	**6,500.00**	6,500.00	6,500.00
b) Issued, subscribed and fully paid-up			
1,73,98,437 (March 31, 2017: 1,73,98,437, April 1, 2016: 1,73,98,437) equity shares of Rs. 10 each fully paid-up	**1,739.84**	1,739.84	1,739.84

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

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Number of shares	Amount Rs. lakhs	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	1,73,98,437	1,739.84
Add: Shares issued during the year	-	-	-	-	-	-
At the end of the year	**1,73,98,437**	**1,739.84**	1,73,98,437	1,739.84	1,73,98,437	1,739.84

d) Terms, rights, preferences and restrictions attached to equity shares
The group has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held.

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

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Bantam Enterprises Private Limited	**13,45,320**	**7.73%**	13,45,320	7.73%	13,45,320	7.73%
HB Portfolio Limited	**33,17,170**	**19.07%**	-	-	-	-
HB Stockholdings Limited	-	-	38,94,846	22.39%	43,46,615	24.98%
Life Insurance Corporation of India	**12,40,679**	**7.13%**	13,31,259	7.65%	13,31,259	7.65%
Lily Commercial Private Limited	**10,44,323**	**6.00%**	10,44,323	6.00%	10,44,323	6.00%
Versa Trading Limited	**22,24,725**	**12.79%**	22,24,725	12.79%	22,24,725	12.79%

20. Other Equity

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs
a. Amalgamation reserve		
Balance as at the beginning and at the end of the year	**1,411.38**	1,411.38
b. General reserve		
Balance as at the beginning and at the end of the year	**13,465.60**	13,465.60
c. Capital redemption reserve		
Balance as at the beginning and at the end of the year	**0.10**	0.10
d. Capital reserve		
Balance as at the beginning and at the end of the year	**234.89**	234.89
e. Securities Premium account		
Balance as at the beginning and at the end of the year	**3,406.68**	3,406.68
f. Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	**19,737.23**	7,392.98
Add: Profit for the year	**5,867.44**	12,160.41
Items of other comprehensive income/ (expense) recognised directly in retained earnings (net of tax)		
- Remeasurement of post employment benefit obligations**	**(110.43)**	(109.65)
- Share of equity accounted investees	**(997.38)**	1654.62

Notes to the Consolidated financial statements for the year ended March 31, 2018 (continued)

Less: Appropriations		
Interim dividend on equity shares [Dividend per share Rs. Nil (March 31, 2017: Rs. 3.50]*	**-**	(608.95)
Tax on interim dividend *	**-**	(123.97)
Dividend on equity shares [Dividend per share Rs. 6.50 (March 31, 2017: Rs. 3.00] *	**(1,130.90)**	(521.95)
Tax on dividend *	**(230.22)**	(106.26)
Balance at the end of the year	**23,135.74**	19,737.23
Total	**41,654.39**	38,255.88

Nature and purpose of reserve

a. **Amalgamation reserve**
Amalgamation reserve has been created on amalgamation of Daurala Organics Limited with the Group.

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

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

d. **Capital reserve**
Represents excess of Company's portion of equity in the subsidiary over its cost of investment.

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

* The Board of Directors have proposed a final dividend of Rs.4.00 per share for the financial year 2017-18 (2016-17 - Rs.6.50 per share) aggregating to Rs.837.62 lakhs (including corporate dividend tax). The proposed dividend for 2017-18 is subject to approval of shareholders in the ensuing Annual General Meeting and has not been considered in these consolidated financial statments.

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

21. Borrowings

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Secured loans			
Term loans from banks	**4,969.62**	4,845.69	12,229.31
Term loans from others	**227.53**	-	360.99
Unsecured loans			
Public Deposits	**655.49**	494.99	476.59
	5,852.64	5,340.68	13,066.89
Less: Current maturities of borrowings	**2,650.09**	2,812.20	5,832.33
Total	**3,202.55**	2,528.48	7,234.56

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Details of current maturities of non-current borrowings:			
Secured loans			
Term loans from banks	**2,370.79**	2,812.20	5,238.09
Term loans from others	**28.44**	-	360.99
Unsecured loans			
Public Deposits	**250.86**	-	233.25
Total	**2,650.09**	2,812.20	5,832.33

Repayment terms and security disclosure for the outstanding borrowings as at March 31, 2018:

From banks:

Secured borrowings:

a) Nil (March 31,2017: Rs.450.53 lakhs, April 01,2016: Rs.807.98 lakhs), Rs.414.30 lakhs (March 31,2017: Rs.627.55 Lakhs, April 01,2016: Rs.835.91 lakhs), Rs.2461.97 lakhs (March 31,2017: Nil, April 01,2016: Nil), Nil (March 31,2017: Nil, April 01,2016: Rs.623.26 lakhs) and Rs.634.43 lakhs (March 31,2017: Nil, April 01,2016: Nil) currently carrying interest between 8.95% p.a. to 10.60%, repayable in 0, 8, 16, 0 and 16 quarterly installments respectively, were/are secured by a first mortgage and charge on all the immovable and movable properties of the Group excluding all assets of Daurala Organics, a unit of the Group, subject to prior charges created / to be created in favour of the Group's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of first charge holders for their respective term loans.

b) Nil (March 31,2017: Rs.279.60 lakhs, April 01,2016: Rs.558.63 lakhs), Nil (March 31,2017: Rs.308.35 lakhs, April 01,2016: Rs.513.05 lakhs) and Nil (March 31,2017: Nil, April 01: Rs.119.93 lakhs) were secured by a first charge on specific movable assets of Shriram Rayons, a unit of the Group.

c) Nil (March 31,2017: Rs. 120.50 lakhs, April 01,2016: Rs. 282.44 lakhs) was secured by a first mortgage and charge on all the immovable and movable properties (save and except book debts) of Daurala Organics, a unit of the Group, both present and future, excluding the assets exclusively charged subject to prior charges created / to be created in favour of the Group's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of first charge holders for their respective term loans.

d) Rs. 632.51 lakhs (March 31,2017: Rs. 1210.89 lakhs, April 01,2016: Rs. 1893.59 lakhs), Rs. 84.86 lakhs (March 31,2017: Rs. 163.19 lakhs, April 01,2016: Rs. 235.00 lakhs) and Nil (March 31,2017: Nil, April 01,2016: Rs.1992.09 lakhs) carrying interest of 12% p.a., repayable in 12, 13 and 0 monthly installments respectively, were/are secured by a residual charge on fixed assets of sugar factory at Daurala Sugar Works, a unit of the Group.

e) Rs. 519.59 lakhs (March 31,2017: Rs. 1034.20 lakhs, April 01,2016: Rs. 1556.38 lakhs) carrying interest of 10.65% p.a., repayable in 4 quarterly installments, is secured by a first mortgage and charge on all the immovable and movable properties of the Group excluding all assets of Daurala Organics, a unit of the Group, subject to prior charges created / to be created in favour of the Group's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of first charge holders for their respective term loans and 2nd pari-passu charge on all current assets of sugar division of the Group excluding stocks pledged with Distt. Co-operative Banks.

f) Nil (March 31,2017: Rs. 320.64 lakhs, April 01,2016: Rs. 435.46 lakhs) was secured by a first mortgage and charge on all the immovable and movable properties (save and except book debts) of Daurala Organics, a unit of the Group, subject to prior charges created / to be created in favour of the Group's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created / to be created in favour of first charge holders for their respective term loans and exclusive charge on assets acquired / to be acquired out of the loan in Distillery and Chemical divisions of Daurala Sugar Works and Shriram Rayons, units of the Group.

g) Rs.197.00 lakhs (March 31,2017: Rs. 296.23 lakhs, April 01,2016: Rs. 320.33 lakhs) carrying interest of 9.40% p.a., repayable in 8 quarterly installments, is secured by a first charge on specific movable assets of Distillery division of Daurala Sugar Works, a unit of the Group.

h) Nil (March 31,2017: Nil, April 01,2016: Rs. 202.09 lakhs) was secured by a first pari-passu charge on entire fixed assets of the Group, both present and future, excluding the assets exclusively charged and those pertaining to Daurala Organics, a unit of the Group, subject to prior charges created / to be created in favour of the Group's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created / to be created in favour of existing first charge holders for their respective term loans / debentures. Also exclusive charge on assets to be acquired in Daurala Organics, a unit of the Group.

i) Nil (March 31,2017: Nil, April 01,2016: Rs.1,000.00 lakhs) and Nil (March 31,2017: Nil, April 01,2016: Rs.801.06 lakhs) were secured by a first mortgage and charge on all fixed assets of Sugar factory at Daurala Sugar Works, a unit of the Group, subject to prior charges created / to be created in favour of the Group's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of first charge holders for their respective term loans.

j) Rs. 24.96 lakhs (March 31,2017: Rs. 34.01 lakhs, April 01,2016: Rs. 52.11 lakhs) currently carrying interest of 10.45% p.a., repayable in 30 monthly installments, is secured by hypothecation of specific assets.

From others:

Secured borrowings:

a) Nil (March 31, 2017 Nil, April 01,2016: Rs 360.99 lakhs) was secured by an exclusive second charge on immovable and movable assets of sugar factory at Daurala Sugar Works, a unit of the Group.

b) Rs.227.53 lakhs (March 31,2017: Nil, April 01,2016: Nil) carrying interest of 4.25% p.a., repayable in 8 half yearly installments, is secured by a first pari-passu charge on immovable and movable properties of sugar Factory at Daurala sugar Works, a unit of the Group.

Public deposits:

Unsecured borrowings:

Rs.655.49 lakhs (March 31,2017: Rs. 494.99 lakhs, April 01,2016: Rs. 476.59 lakhs), carrying interest of 9.5% to 10.5% p.a., is currently repayable after 3 years from the date of acceptance of deposits.

The Group's exposure to interest rate risks related to above financial liabilities is disclosed in Note 47.

22. Other financial liabilities

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Interest accrued but not due on borrowings	**30.83**	36.63	2.35
Deposits from contractors and others	**9.98**	10.37	10.29
Others	**50.16**	52.81	53.05
Total	**90.97**	99.81	65.69

23. Provisions

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Provision for employee benefits (Refer note 45)			
- Gratuity	**179.79**	-	-
- Compensated absences	**741.17**	732.20	641.14
Provision for contingencies*	**100.00**	100.00	100.00
Total	**1,020.96**	832.20	741.14

* Provision for contingencies of Rs. 100 lakhs (March 31, 2017: Rs. 100 lakhs, April 1, 2016: Rs. 100 lakhs) represents the maximum possible exposure on ultimate settlement of issues relating to reorganisation arrangement of the Group.

24. Other non-current liabilities

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Others	**32.28**	19.34	7.28
Total	**32.28**	19.34	7.28

25. Borrowings

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Secured loans			
From banks - loans repayable on demand*	**35,940.76**	35,388.07	28,511.12
Unsecured loans			
Others - loans repayable on demand	**150.00**	150.00	150.00
Total	**36,090.76**	35,538.07	28,661.12

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

26. Trade payables

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Trade payables to related parties	**542.00**	1483.70	161.00
Other trade payables*	**19253.60**	23934.05	27,424.35
Total	**19,795.60**	25,417.75	27,585.35

* Refer note 53 for Micro and Small Enterprises.

Notes:

a) Includes acceptances Rs. 2,789.97 lakhs (March 31, 2017: Rs. 3,084.30 lakhs, April 1, 2016: Rs. 3,001.80 lakhs).
b) The Group exposure to currency and liquidity risks related to trade payables is disclosed in Note 47.

27. Other financial liabilities

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Creditors for capital purchases	**175.40**	74.35	113.64
Current maturities of long term borrowings (refer Note 21)	**2,650.09**	2,812.20	5,832.33
Security deposits	**2.60**	3.40	4.65
Interest accrued but not due on borrowings	**96.77**	38.55	186.28
Unclaimed dividends	**139.77**	106.08	79.07
Unclaimed deposits and interest accrued thereon	**-**	-	10.27
Other payables			
Deposits from contractors and others	**273.50**	257.21	372.05
Payable to employees	**-**	1.41	4.01
Others	**40.42**	46.33	76.69
Total	**3,378.55**	3,339.53	6,678.99

28. Other current liabilities

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Advances from customers and others	**240.47**	201.36	135.39
Statutory dues payable	**974.35**	3,642.02	3,367.12
Others	**141.22**	116.18	157.71
Total	**1,356.04**	3,959.56	3,660.22

29. Provisions

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Provision for employee benefits (Refer note 45)			
- Compensated absences	**408.24**	274.84	256.85
Total	**408.24**	274.84	256.85

Notes to the Consolidated financial statements for the year ended March 31, 2018 (continued)

30. Revenue from operations

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Sale of products (including excise duty)*		
Export	**38,630.26**	38,839.21
Domestic	**1,27,328.28**	1,10,703.67
Sale of services		
Processing charges	**2,711.99**	2,603.86
Others	**-**	30.36
Other operating revenue		
Sale of scrap	**491.55**	373.04
Duty draw back and other export benefits	**1,292.99**	2,073.30
Sale of renewable energy certificates	**2,139.32**	1,126.88
Others	**32.03**	22.06
Total	**1,72,626.42**	1,55,772.38

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

31. Other income

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Interest income from financial assets measured at amortised cost		
From deposits with banks	**118.75**	114.84
Unwinding of discount on security deposits	**4.37**	3.87
Interest income on inter-corporate deposit	**51.41**	55.89
Interest received against subvention	**350.42**	696.08
Interest income on income tax refund	**-**	2.20
Provisions/liabilities no longer required, written back	**1.42**	59.86
Rental income	**37.24**	34.56
Profit on sale of current investments	**60.23**	17.47
Net change in fair value of financial assets mandatorily measured at fair value through profit and loss	**-**	18.14
Gain on foreign exchange fluctuation (net)	**841.39**	539.37
Miscellaneous income	**159.76**	135.51
Total	**1,624.99**	1,677.79

32. Cost of material consumed

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Raw material stock at the beginning of the year	**6,319.78**	5,631.88
Add: Purchases	**1,00,082.75**	82,715.50
	1,06,402.53	88,347.38
Less: Raw material stock at the end of the year	**3,805.86**	6,319.78
Total cost of materials consumed	**1,02,596.67**	82,027.60
Particulars of materials consumed are as under:		
Sugarcane	**73,250.95**	56,279.31
Wood pulp	**8,003.44**	7,849.74
Others	**21,342.28**	17,898.55
Total	**1,02,596.67**	82,027.60

33. Purchase of traded goods

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Grain spirits	**12,089.89**	10,775.39
Total	**12,089.89**	10,775.39

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

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Opening stock		
Finished goods	**44,677.80**	40,728.73
Work-in-progress	**1,372.29**	1,257.21
Total	**46,050.09**	41,985.94
Closing stock		
Finished goods	**40,278.01**	44,677.80
Work-in-progress	**1,416.82**	1,372.29
Total	**41,694.83**	46,050.09
	4,355.26	(4,064.15)
Particulars of stocks of finished goods and work-in-progress are as under :		
Finished goods		
Sugar	**37,603.24**	41,936.71
Alcohol	**744.77**	800.81
Organic/ Fine chemicals	**847.85**	689.58
Industrial fibers	**1,082.15**	1,181.60
Others	**-**	69.10
	40,278.01	44,677.80
Work-in-progress		
Sugar	**554.77**	623.91
Alcohol	**19.06**	51.92
Organic/ Fine chemicals	**513.34**	358.02
Industrial fibers	**329.65**	338.44
	1,416.82	1,372.29

35. Employee benefits expense

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Salaries, wages and bonus	**11,058.99**	11,405.32
Contribution to provident and other funds	**1,107.30**	1,112.37
Staff welfare expenses	**464.45**	391.74
Total	**12,630.74**	12,909.43

Refer note 45 for disclosure on gratuity.

36. Finance costs

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Interest expense	**2,758.65**	3,439.40
Other borrowing costs	**55.67**	366.16
Total	**2,814.32**	3,805.56

37. Depreciation and amortisation expense

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Depreciation on property, plant and equipment	**1,890.79**	1,876.46
Amortisation of intangible assets	**33.37**	31.01
Total	**1,924.16**	1,907.47

Notes to the Consolidated financial statements for the year ended March 31, 2018 (continued)

38. Other expenses

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Stores and spares	**8,650.59**	7,575.62
Power and fuel	**8,825.16**	8,136.27
Repair and maintenance		
- Buildings	**1,004.34**	929.55
- Plant and machinery	**3,798.70**	3,272.63
Rent	**599.70**	525.72
Auditors' remuneration *		
- As auditors	**26.12**	42.19
- Limited review of unaudited financial results	**24.24**	23.40
- Verfication of statements & other records	**8.09**	9.57
- Out-of-pocket expenses	**2.45**	1.62
Insurance	**175.89**	175.06
Rates and taxes	**33.89**	72.02
(Decrease) / Increase in excise duty on finished goods	**(2,882.20)**	71.51
Freight and transport	**1,013.87**	913.66
Commission to selling agents	**2,005.45**	1,946.88
Loss on foreign exchange fluctuation (net)	**-**	-
Loss on sale of property, plant and equipment (net)	**49.05**	143.46
Donation	**-**	1.25
Corporate social responsibility (refer note below)	**134.24**	64.66
Bad debts and advances provided / written off	**4.03**	0.38
Miscellaneous expense	**5,231.56**	4,636.47
Total	**28,705.17**	28,541.92

Note: Details of corporate social responsibility expenditure

a) Amount required to be spent by the Group during the year	**133.99**	64.66
b) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	**17.10**	12.02
(ii) On purposes other than (i) above	**117.14**	52.64

* Includes Rs. 10.99 lakhs paid to previous auditors

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, 2018 and March 31, 2017 are:

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Current tax		
Current year	**1,518.30**	3,268.99
MAT credit entitlement	**(368.18)**	-
	1,150.12	3,268.99
Deferred tax		
Origination and reversal of temporary differences	**2.80**	(157.04)
Income tax expense reported in the statement of profit and loss	**1,152.92**	3,111.95

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

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Income tax		
Remeasurement of post employment benefit obligation	**58.45**	58.03
Income tax charge to other comprehensive income/ (expense)	**58.45**	58.03

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, 2018 and March 31, 2017:

	For the year ended 31.03.2018		For the year ended 31.03.2017	
	Rate	**Amount Rs. lakhs**	Rate	Amount Rs. lakhs
Profit before tax from continuing operations, including OCI				
- Holding company	**34.61%**	**6,703.27**	34.61%	14,954.55
- Subsidiary company	**25.75%**	**79.78**	31.96%	88.97
Tax using the Group's domestic tax rate	**34.50%**	**2,340.41**	34.59%	5,203.90
Taxes for earlier years		**-**		(8.03)
Tax effect of:				
Non-deductible expenses	**0.74%**	**49.86**	0.19%	28.71
Non-taxable income	**-**	**-**	-0.05%	(8.22)
Tax-exempt income	**-19.27%**	**(1,307.14)**	-8.59%	(1,292.95)
Change in estimates	**-**	**-**	-2.90%	(437.00)
Others	**0.17%**	**11.34**	-2.87%	(432.49)
Effective tax rate	**16.14%**	**1,094.47**	20.35%	3,053.92

D. Deferred tax assets/liabilities

Particulars	Deferred tax assets			Deferred tax liabilities			Net deferred tax assets/(liabilities)		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	**As at 31.03.2018**	As at 31.03.2017	As at 01.04.2016	**As at 31.03.2018**	As at 31.03.2017	As at 01.04.2016
	Rs. lakhs	Rs. lakhs	Rs. lakhs	**Rs. lakhs**	Rs. lakhs	Rs. lakhs	**Rs. lakhs**	Rs. lakhs	Rs. lakhs
Accrued expense deductible on payment	**742.12**	609.66	159.44	**-**	-	-	**742.12**	609.66	159.44
Provision for gratuity and compensated absences	**322.17**	348.51	310.76	**-**	-	-	**322.17**	348.51	310.76
Loss allowance for trade receivables	**10.37**	10.37	13.61	**-**	-	-	**10.37**	10.37	13.61
Loss allowance for other assets	**0.45**	0.45	0.44	**-**	-	-	**0.45**	0.45	0.44
Difference in book written down value and tax written down value of property, plant and equipment	**-**	-	-	**7,226.57**	7,161.02	6,884.55	**(7,226.57)**	(7,161.02)	(6,884.55)
Others	**22.29**	23.43	36.31	**-**	16.21	35.89	**22.29**	7.22	0.42
	1,097.40	992.42	520.56	**7,226.57**	7,177.23	6,920.44	**(6,129.17)**	(6,184.81)	(6,399.88)
MAT credit entitlement *	**2,815.97**	2,454.54	2,480.83	**-**	-	-	**2,815.97**	2,454.54	2,480.83
Net Deferred tax liability	**3,913.37**	3,446.96	3,001.39	**7,226.57**	7,177.23	6,920.44	**(3,313.20)**	(3,730.27)	(3,919.05)

* MAT credit entitlement in the statement of Profit & Loss forms part of Deferred Tax (credit)/charge for the year.

Note: Deferred tax has been created on the undistributed profits of the associate only. Undistributed profits of the subsidiary will be reinvested and not distributed as dividends.

E. Availability of MAT Credit is as under :

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
	Rs. lakhs	Rs. lakhs	Rs. lakhs
Expire Year	**Gross amount**	Gross amount	Gross amount
2023-24	**-**	-	13.69
2024-25	**-**	6.74	19.34
2025-26	**9.60**	9.60	9.60
2026-27	**7.74**	7.74	7.74
2027-28	**292.56**	292.56	292.56
2028-29	**993.24**	993.24	993.24
2029-30	**293.65**	293.66	293.66
2030-31	**851.00**	851.00	851.00
2032-33	**368.18**	-	-
Total	**2815.97**	2454.54	2480.83

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 read with Rule 7 of the Companies (Accounts) Rule, 2014, 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)).

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

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

B. Information about reportable segments

Particulars	Reportable segments						Elimination		Total	
	Sugar		Industrial fibres and related products		Chemicals					
	For the year ended 31.03.2018	For the year ended 31.03.2017	**For the year ended 31.03.2018**	For the year ended 31.03.2017	**For the year ended 31.03.2018**	For the year ended 31.03.2017	**For the year ended 31.03.2018**	For the year ended 31.03.2017	**For the year ended 31.03.2018**	For the year ended 31.03.2017
	Rs. lakhs	Rs. lakhs	**Rs. lakhs**	Rs. lakhs	**Rs. lakhs**	Rs. lakhs	**Rs. lakhs**	Rs. lakhs	**Rs. lakhs**	Rs. lakhs
Segment revenue										
- External revenues	**1,07,241.02**	92,925.20	**35,481.01**	34,481.15	**25,948.50**	24,764.87	**-**	-	**1,68,670.53**	1,52,171.22
- Inter segment revenue		5.88	**-**	-	**-**	-	**-**	-	**-**	5.88
- Other operating revenue	**2,410.98**	1,956.02	**1,180.60**	1,267.10	**364.31**	378.04	**-**	(5.88)	**3,955.89**	3,595.28
- Interest income	**243.15**	590.71	**174.05**	181.55	**6.53**	7.25			**423.73**	779.51
- Other income	**48.79**	33.77	**841.41**	495.10	**149.61**	214.31	**(3.06)**	(3.14)	**1,036.75**	740.04
- Unallocable income									**164.51**	158.24
Total segment revenue	**1,09,943.94**	95,511.58	**37,677.07**	36,424.90	**26,468.95**	25,364.47	**(3.06)**	(9.02)	**1,74,251.41**	1,57,450.17
Segment results	**7,682.38**	16,282.42	**2,944.20**	4,127.00	**1,407.68**	924.00			**12,034.26**	21,333.42
Unallocated expenses (net of unallocated income)									**2,268.03**	2,313.25
Operating profit/(loss)									**9,766.23**	19,020.17
Finance costs									**2,814.32**	3,805.56
Profit before share of profit of equity accounted investees and tax									**6,951.91**	15,214.61
Share of profit of equity accounted investees (net of tax)									**68.45**	57.75
Profit/(loss) before tax									**7,020.36**	15,272.36
Current tax									**1,518.30**	3,268.99
MAT Credit Entitlement									**(368.18)**	-
Deferred tax									**2.80**	(157.04)
Net profit/(loss) after tax									**5,867.44**	12,160.41
Capital expenditure during the year	**1,118.30**	970.51	**1,967.58**	1,344.66	**772.77**	306.52	**-**	-		
Depreciation	**633.53**	629.02	**848.43**	816.74	**396.53**	411.06	**-**	-		
Non cash expense other than depreciation	**4.51**	1.55	**3.75**	3.44	**148.16**	151.56	**-**	-		

Particulars	Reportable segments														
	Sugar			Industrial fibres and related products			Chemicals			Elimination			Total		
	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs	**As at 31.03.2018 Rs. lakhs**	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs	**As at 31.03.2018 Rs. lakhs**	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs	**As at 31.03.2018 Rs. lakhs**	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs	**As at 31.03.2018 Rs. lakhs**	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Segment assets	**60,901.77**	67,348.88	61,271.69	**29,338.84**	27,766.26	27,225.48	**16,891.17**	15,152.72	14,223.89	**2,327.55**	1,836.00	2,040.40	**1,04,804.23**	1,08,431.86	1,00,680.66
Unallocated assets													**7,279.15**	7,303.71	5,781.06
Total assets	**60,901.77**	67,348.88	61,271.69	**29,338.84**	27,766.26	27,225.48	**16,891.17**	15,152.72	14,223.89	**2,327.55**	1,836.00	2,040.40	**1,12,083.38**	1,15,735.57	1,06,461.72
Segment liabilities	**9,579.00**	18,137.00	22,919.00	**8,469.00**	7,220.00	6,594.00	**6,173.00**	5,300.00	4,599.00	**2,327.55**	1,836.00	2,040.40	**21,893.45**	28,821.00	32,071.60
Share capital and reserves													**43,394.23**	39,995.72	27,651.47
Unallocated liabilities													**46,795.70**	46,918.85	46,738.65
Total liabilities	**9,579.00**	18,137.00	22,919.00	**8,469.00**	7,220.00	6,594.00	**6,173.00**	5,300.00	4,599.00	**2,327.55**	1,836.00	2,040.40	**1,12,083.38**	1,15,735.57	1,06,461.72

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

i. Revenues

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Total revenue for reportable segments	**1,74,089.96**	1,57,300.95
Unallocated amounts:		
Revenue for other segments	**164.51**	158.24
Inter-segment elimination	**(3.06)**	(9.02)
Total revenue	**1,74,251.41**	1,57,450.17

ii. Profit before tax

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Total profit before tax for reportable segments	**12,034.26**	21,333.42
Unallocated cost:		
Finance costs	**(2,814.32)**	(3,805.56)
Other unallocated amounts	**(2,268.03)**	(2,313.25)
Profit before tax as per statement of profit and loss	**6,951.91**	15,214.61

iii. Assets

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Total assets for reportable segments	**1,04,804.23**	1,08,431.86	1,00,680.66
Unallocated amounts:			
Investments	**2,342.10**	3,495.20	2,486.64
Corporate assets	**4,937.05**	3,808.51	3,294.42
Total assets as per the balance sheet	**1,12,083.38**	1,15,735.57	1,06,461.72

iv. Liabilities

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Total liabilities for reportable segments	**21,893.45**	28,821.00	32,071.60
Unallocated amounts:			
Share capital	**1,739.84**	1,739.84	1,739.84
Reserves and Surplus	**41,654.39**	38,255.88	25,911.63
Unallocated corporate liabilities	**46,795.70**	46,918.85	46,738.65
Total liabilities as per the balance sheet	**1,12,083.38**	1,15,735.57	1,06,461.72

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.

i. Revenues

	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
(a) India	**1,35,624.21**	1,18,619.98
(b) Other countries		
Europe	**14,096.57**	13,756.06
China	**10,126.17**	9,623.92
Rest of the world	**14,407.52**	15,459.23
Total (b)	**38,630.26**	38,839.21
(c) Inter-segment elimination	**(3.06)**	(9.02)
Total (a+b+c)	**1,74,251.41**	1,57,450.17

ii. Assets

	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
(a) India	**1,02,598.33**	1,08,127.59	99,926.17
(b) Other countries			
Europe	**1,593.95**	1,573.12	1,442.31
China	**3,312.71**	2,886.02	1,894.10
Rest of the world	**4,578.39**	3,148.84	3,199.14
Total (b)	**9,485.05**	7,607.98	6,535.55
Total (a+b)	**1,12,083.38**	1,15,735.57	1,06,461.72

E. Major customer

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

41. Operating lease - As a lessee

The Group has entered into operating leases agreements for various premises taken for accommodation of Group's officers/ directors and various offices of the Group. The lease rental expense recognised in the Statement of Profit and Loss for the period in respect of leases is Rs. 599.70 lakhs (March 31, 2017: Rs. 525.72 lakhs).

42. Contingent liabilities and commitments

A. Contingent liabilities

Particulars	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Income tax matters*	**1,708.75**	1,708.75	217.51
Excise and Service tax matters*	**736.06**	778.21	500.51
Claims against the Group not acknowledged as debts (excluding claims by employees, where amount is not ascertainable)*	**640.42**	845.79	880.80
Sales Tax matters*	**75.59**	-	-
Sugarcane related matters	**4,545.26**	4,201.70	-
Total	**7,706.08**	7,534.45	1,598.82

* 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. 2492.74 lakhs (March 31, 2017: Rs. 519.02 lakhs, April 1, 2016: Rs. 207.46 lakhs).

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

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

44. Earnings per share

Basic and diluted earnings/ (loss) per share

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

Particulars	**Unit**	**For the year ended 31.03.2018**	For the year ended 31.03.2017
Profit/ (loss) after tax attributable to equity shareholders	Rs. lakhs	**5,867.44**	12,160.41
Weighted average number of equity shares outstanding during the year	Numbers	**1,73,98,437**	1,73,98,437
Nominal value per share	Rs.	**10.00**	10.00
Basic and diluted earnings/ (loss) per share	Rs.	**33.73**	69.89

45. Employee benefits

A. Defined Contribution plans

Rs. 705.54 lakhs (March 31, 2017: Rs. 660.72 lakhs) for provident fund contribution and Rs. 163.85 lakhs (March 31, 2017: Rs. 276.09 lakhs) for superannuation fund contribution have been charged to the Consolidated Statement of Profit and Loss. The contributions towards these schemes are at rates specified in the rules of the schemes. In case of provident fund administered through a trust, shortfall if any, shall be made good by the Group.

B. Defined benefit plans

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

Gratuity:

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

The following table sets out the status of gratuity obligation

Particulars	**As at 31.03.2018 Rs. lakhs**	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Net Gratuity liability / (asset)	**179.79**	(33.34)	(139.06)
Non current	**179.79**	-	-
Current	**-**	(33.34)	(139.06)
	179.79	(33.34)	(139.06)

(i) Reconciliation of the gratuity benefit liability

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

Particulars	**For the year ended 31.03.2018 Rs. lakhs**	For the year ended 31.03.2017 Rs. lakhs
Balance at the beginning of the year	**3,416.40**	3,125.57
Current service cost	**194.71**	183.32
Interest cost	**247.69**	234.42
Actuarial (gains) / losses recognised in other comprehensive income	**39.08**	273.74
Benefits paid	**(339.73)**	(400.65)
Balance at the end of the year	**3,558.15**	3,416.40

Notes to the Consolidated financial statements for the year ended March 31, 2018 (continued)

(ii) Reconciliation of the plan assets

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

Particulars	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Balance at the beginning of the year	**3,449.74**	3,264.63
Expected return on plan assets	**250.11**	244.85
Contribution by the company	**13.99**	17.16
Benefits paid	**(205.68)**	(182.96)
Actuarial (gains) / losses recognised in other comprehensive income	**(129.80)**	106.06
Balance at the end of the year	**3,378.36**	3,449.74

(iii) Expense recognized in profit and loss

Particulars	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Current service cost	**194.71**	183.32
Interest cost	**247.69**	234.42
Expected return on plan assets	**(250.11)**	(244.85)
Actuarial (gains) / losses recognised in other comprehensive income	**(90.72)**	379.80
Total	**101.57**	552.69

(iv) Constitution of plan assets

Particulars	As at 31.03.2018 Rs. lakhs	As at 31.03.2017 Rs. lakhs
Other than equity, debt, property and bank account		
Funded with LIC*	**3,425.84**	3,237.62

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

(v) Remeasurements recognized in other comprehensive income

Particulars	For the year ended 31.03.2018 Rs. lakhs	For the year ended 31.03.2017 Rs. lakhs
Actuarial (gain) / loss on gratuity obligation	**(90.72)**	379.80

(vi) Actuarial assumptions

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

Particulars	**As at 31.03.2018**	As at 31.03.2017	As at 01.04.2016
Financial assumptions			
Discount rate	**7.75%**	7.25%	7.50%
Future salary growth	**5.00%**	5.00%	5.00%
Rate of return on plan assets	**7.25%**	7.50%	7.50%
Expected average remaining working lives of employees (years)	**16.27**	16.07	14.44
Demographic assumptions			
Mortality rate	**IALM (2006-08)**	IALM (2006-08)	IALM (2006-08)
Withdrawal rate	**Up to 30 years- 3%**	Up to 30 years- 3%	Up to 30 years- 3%
	Up to 44 years- 2%	Up to 44 years- 2%	Up to 44 years- 2%
	Above 44 years- 1%	Above 44 years- 1%	Above 44 years- 1%
Retirement age	**58 years and 60 years**	58 years and 60 years	58 years and 60 years

Expected contributions to post-employment benefit plans for the year ending March 31, 2019 are Rs. 230.06 lakhs (March 31, 2018: Rs. 203.49 lakhs).

(v) Sensitivity analysis

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

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

Particulars	**For the year ended 31.03.2018 Rs. lakhs**		For the year ended 31.03.2017 Rs. lakhs	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50%)	**(457.66)**	**212.14**	(471.67)	230.18
Future salary growth (0.50%)	**217.86**	**(470.02)**	236.40	(484.40)

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

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

(vi) Maturity profile

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

Particulars	**As at 31.03.2018 Rs. lakhs**	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Within 1 year	**840.50**	586.75	610.95
1 year to 5 years	**1,215.38**	1,367.81	1,235.56
More than 5 years	**2,194.14**	2,052.88	1,854.07

C. Compensated absences:

The obligation of compensated absence in respect of the employees of the Group as at 31 March 2018 works out to Rs. 1,149.41 lakhs (31 March 2017: Rs. 1,007.04 lakhs, 1 April 2016: Rs. 897.99 lakhs)

D. Risk exposure:

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

a) Investment Risk

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

b) Interest rate risk

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

c) Longevity risk

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

d) Salary risk

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

46. Related party disclosures:

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

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

Associate: DCM Hyundai Limited

Key management personnel

Mr. Tilak Dhar, Chairman & Managing Director

Mr. Alok B.Shriram, Vice Chairman & Dy. Managing Director

Mr. Madhav B.Shriram, Deputy Managing Director

Mr. K.N. Rao, Director & CEO Rayons

Mr. P.R. Khanna, Independent Director

Mr. S.B. Mathur, Independent Director

Mr. Ravinder Narain, Independent Director

Mr. S.C. Kumar, Independent Director

Mr. C. Vikas Rao, Independent Director

Ms. Kavitha Dutt Chitturi, Independent Director

Mr. N.K. Jain, Chief Financial Officer

Mr. Y.D. Gupta, Chief General Manager & Company Secretary

Relatives/HUF of key management personnel

M/s. Bansi Dhar & Sons - HUF

Mr. Akshay Dhar

Ms. Kanika Shriram

Mr. Rudra Shriram

Mr. Rohan Shriram

Mr. Uday Shriram

Mrs. K. Rao

Mrs. Anita Gupta

Mrs. Manju Jain

Mr. Nirmal Kumar Jain

Mrs. Maya Rani Jain

Mr. Rajat Jain

Mrs. Kiran Khanna

Mr. P. R. Khanna (HUF)

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

Bantam Enterprises Private Limited

H.R. Travels Private Limited

Hindustan Vaccum Glass Private Limited

B. Transactions with related parties:

i) Transaction with Key management personnel, their relatives/HUF and others

Particulars	**For the year ended 31.03.2018 Rs. lakhs**	For the year ended 31.03.2017 Rs. lakhs
Rent expenses		
Relatives/HUF of key management personnel		
M/s. Bansi Dhar & Sons - HUF	**128.16**	115.72
Mrs. K. Rao	**3.90**	3.72
Mrs. Manju Jain	**11.76**	10.62
Mrs Anita Gupta	**7.54**	6.30
Others		
Bantam Enterprises Private Limited	**32.17**	22.88
H.R. Travels Private Limited	**7.65**	6.59
Total	**191.18**	165.83

Notes to the Consolidated financial statements for the year ended March 31, 2018 (continued)

Transactions with Key management personnel, their relatives/HUF and others

Particulars	**For the year ended 31.03.2018 Rs. lakhs**	For the year ended 31.03.2017 Rs. lakhs
Interest expense		
Key management personnel		
Mr. Alok B. Shriram	**4.55**	-
Relatives of Key management personnel		
Mr. Rohan Shriram	**0.77**	-
Ms. Kanika Shriram	**0.68**	0.04
Mr. Rudra Shriram	**0.22**	-
Mr. Uday Shriram	**0.37**	0.03
Mrs. Anita Gupta	**0.67**	0.47
Mrs. Manju Jain	**8.90**	8.23
Mr. Nirmal Kumar Jain	**3.21**	3.38
Mrs. Maya Rani Jain	**1.27**	1.34
Mr. Rajat Jain	**-**	0.11
Independent Directors & their relatives/HUF		
Mr. P. R. Khanna	**1.05**	1.05
Mr. P. R. Khanna (HUF)	**1.05**	0.73
Mrs. Kiran Khanna	**1.84**	1.68
Total	**24.58**	17.06
Purchase of Goods		
Others		
Hindustan Vaccum Glass Private Limited	**30.02**	-
Total	**30.02**	-
Public deposits received		
Key management personnel		
Mr. Alok B. Shriram	**75.00**	-
Relatives of key management personnel		
Mr. Rohan Shriram	**18.00**	-
Ms. Kanika Shriram	**5.00**	3.00
Mr. Rudra Shriram	**-**	2.00
Mr. Uday Shriram	**10.00**	-
Mrs. Anita Gupta	**2.00**	1.00
Mrs. Manju Jain	**2.00**	1.00
Independent Directors & their relatives		
Mr. P. R. Khanna	**-**	10.00
Mrs. Kiran Khanna	**-**	5.00
Total	**112.00**	22.00
Security deposits received back		
Relatives/HUF of key management personnel		
Mrs Manju Jain	**1.39**	-
Mrs Anita Gupta	**0.66**	-
Total	**2.05**	-
Public Deposits paid		
Relatives of Key Management Personnel		
Mrs Manju Jain	**-**	0.03
Mr Rajat Jain	**-**	4.56
Total	**-**	4.59
Advance rent adjusted		
Relatives/HUF of key management personnel		
M/s. Bansi Dhar & Sons - HUF	**-**	1.63
Total	**-**	1.63

Particulars	**For the year ended 31.03.2018 Rs. lakhs**	For the year ended 31.03.2017 Rs. lakhs
Compensation of key management personnel		
Salaries and bonus including contributions made to provident fund		
Mr. Tilak Dhar	**227.59**	506.70
Mr. Alok B.Shriram	**227.58**	506.70
Mr. Madhav B.Shriram	**227.58**	506.70
Mr. K.N. Rao	**57.39**	46.58
Mr. N. K. Jain	**39.69**	36.15
Mr. Y. D. Gupta	**24.98**	22.68
Relatives of key management personnel	**60.00**	35.48
Total	**864.81**	1,660.99
Post-employment defined benefit plan		
Gratuity		
Mr. Tilak Dhar	**6.02**	2.10
Mr. Alok B.Shriram	**4.89**	4.81
Mr. Madhav B.Shriram	**4.65**	4.66
Mr. K.N. Rao	**4.22**	1.91
Mr. N.K. Jain	**1.92**	2.50
Mr. Y.D. Gupta	**3.61**	2.14
Relatives of key management personnel	**3.83**	1.36
Total	**29.14**	19.48
Other long term defined benefit plan		
Compensated absences		
Mr. Tilak Dhar	**3.79**	1.69
Mr. Alok B.Shriram	**3.11**	2.04
Mr. Madhav B.Shriram	**2.92**	2.02
Mr. K.N. Rao	**2.42**	0.59
Mr. N. K. Jain	**(0.49)**	(0.45)
Mr. Y. D. Gupta	**1.23**	0.51
Relatives of key management personnel	**5.34**	0.96
Total	**18.32**	7.36
Commission to Independent Directors		
Mr. P. R. Khanna	**14.26**	31.75
Mr. S. B. Mathur	**13.38**	29.80
Mr. Ravinder Narain	**12.50**	27.82
Mr. S. C. Kumar	**14.26**	31.75
Mr C Vikas Rao	**10.73**	23.89
Mrs. Kavitha Dutt Chitturi	**10.73**	23.89
Total	**75.86**	168.90
Total compensation paid to key management personnel	**988.13**	1856.73

Notes to the Consolidated financial statements for the year ended March 31, 2018 (continued)

Balances with related parties

Particulars	**As at 31.03.2018 Rs. lakhs**	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Receivable			
Relatives/HUF of key management personnel			
M/s. Bansi Dhar & Sons - HUF	**35.10**	35.10	36.73
Mrs. K. Rao	**0.93**	0.93	0.93
Mrs. Manju Jain	**3.92**	5.31	5.31
Mrs. Anita Gupta	**2.51**	3.17	3.17
Others			
Hindustan Vaccum Glass Private Limited	**19.35**	-	-
Total	**61.81**	44.51	46.14
Payables			
Public deposits including interest accrued			
Key management personnel			
Mr. Alok B. Shriram	**79.55**	-	-
Relatives/HUF of key management personnel			
Mr. Rohan Shriram	**18.77**	-	-
Ms. Kanika Shriram	**8.72**	3.04	-
Mr. Rudra Shriram	**2.25**	2.03	-
Mr. Uday Shriram	**10.37**	-	-
Mrs. Anita Gupta	**7.70**	5.03	3.56
Mrs. Manju Jain	**102.54**	91.64	82.44
Mr. Nirmal Kumar Jain	**32.06**	32.06	32.06
Mrs. Maya Rani Jain	**12.70**	12.70	12.70
Independent Directors & their relatives			
Mr. P. R. Khanna	**10.00**	10.00	10.00
Mr. P. R. Khanna (HUF)	**10.00**	10.00	-
Mrs. Kiran Khanna	**17.50**	17.50	-
Total	**312.16**	184.00	140.76
Commission to Independent Directors			
Mr. P. R. Khanna	**14.26**	31.75	-
Mr. S. B. Mathur	**13.38**	29.80	-
Mr. Ravinder Narain	**12.50**	27.82	-
Mr. S. C. Kumar	**14.26**	31.75	-
Mr C Vikas Rao	**10.73**	23.89	-
Mrs. Kavitha Dutt Chitturi	**10.73**	23.89	-
Total	**75.86**	168.90	-
Remuneration			
Key management personnel			
Mr.Tilak Dhar	**153.28**	436.38	65.40
Mr.Alok B.Shriram	**155.03**	438.82	64.80
Mr.Madhav B.Shriram	**157.83**	439.60	30.80
Total	**466.14**	1,314.80	161.00

Note:

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

47. Financial instruments – Fair values and risk management

a. Financial instruments – by category and fair values hierarchy

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

i. As on April 1, 2016

(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*	-	-	319.24	**319.24**	-	-	319.24
(ii) Other financial assets*	-	-	129.57	**129.57**	-	-	-
Current							
(i) Investments*							
Equity instrument (Mutual funds)	927.99	-	-	**927.99**	927.99	-	-
Prefernce shares	-	-	-	**-**	-	-	-
(ii) Trade receivables*	-	-	12,354.34	**12,354.34**	-	-	-
(iii) Cash and cash equivalents*	-	-	531.13	**531.13**	-	-	-
(iv) Other Bank balances*	-	-	590.73	**590.73**	-	-	-
(v) Loans*	-	-	587.23	**587.23**	-	-	-
(vi) Other financial assets*	-	-	1,388.62	**1,388.62**	-	-	-
Total	**927.99**	**-**	**15,900.86**	**16,828.85**			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	7,234.56	**7,234.56**	-	-	7,234.56
(ii) Other financial liabilities*	-	-	65.69	**65.69**	-	-	65.69
Current							
(i) Borrowings#	-	-	28,661.12	**28,661.12**	-	-	-
(ii) Trade payables*	-	-	27,585.35	**27,585.35**	-	-	-
(iii) Other financial liabilities*	-	-	6,678.99	**6,678.99**	-	-	-
Total	**-**	**-**	**70,225.71**	**70,225.71**			

(ii) As on March 31, 2017

(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*	-	-	335.16	**335.16**	-	-	335.16
(ii) Other financial assets*	-	-	328.04	**328.04**	-	-	-
Current							
(i) Investments*							
Equity instrument (Mutual funds)	224.18	-	-	**224.18**	224.18	-	-
Prefernce shares	-	-	-	**-**	-	-	-
(ii) Trade receivables*	-	-	14,798.38	**14,798.38**	-	-	-
(iii) Cash and cash equivalents*	-	-	515.14	**515.14**	-	-	-
(iv) Other Bank balances*	-	-	878.19	**878.19**	-	-	-
(v) Loans*	-	-	536.54	**536.54**	-	-	-
(vi) Other financial assets*	**-**	**-**	1,373.62	**1,373.62**	-	-	-
Total	**224.18**	**-**	**18,765.07**	**18,989.25**			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	2,528.48	**2,528.48**	-	-	2,528.48
(ii) Other financial liabilities*	-	-	99.81	**99.81**	-	-	99.81
Current							
(i) Borrowings#	-	-	35,538.07	**35,538.07**	-	-	-
(ii) Trade payables*	-	-	25,417.75	**25,417.75**	-	-	-
(iii) Other financial liabilities*	-	-	3,339.53	**3,339.53**	-	-	-
Total	**-**	**-**	**66,923.64**	**66,923.64**			

Notes to the Consolidated financial statements for the year ended March 31, 2018 (continued)

iii. As on March 31, 2018

(Rs. lakhs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Loans*	-	-	494.12	**494.12**	-	-	494.12
(ii) Other financial assets*	-	-	159.66	**159.66**	-	-	-
Current							
(i) Investments*							
Equity instrument (Mutual funds)	-	-	-	**-**	-	-	-
Prefernce shares	-	-	-	**-**	-	-	-
(ii) Trade receivables*	-	-	16,488.27	**16,488.27**	-	-	-
(iii) Cash and cash equivalents*	-	-	867.39	**867.39**	-	-	-
(iv) Other Bank balances*	-	-	1,053.56	**1,053.56**	-	-	-
(v) Loans*	-	-	611.91	**611.91**	-	-	-
(vi) Other financial assets*	-	-	928.96	**928.96**	-	-	-
Total	-	-	**20,603.87**	**20,603.87**			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	3,202.55	**3,202.55**	-	-	3,202.55
(ii) Other financial liabilities*	-	-	90.97	**90.97**	-	-	90.97
Current							
(i) Borrowings#	-	-	36,090.76	**36,090.76**	-	-	-
(ii) Trade payables*	-	-	19,795.60	**19,795.60**	-	-	-
(iii) Other financial liabilities*	-	-	3,378.55	**3,378.55**	-	-	-
Total	**-**	**-**	**62,558.43**	**62,558.43**			

The Group's borrowings have been contracted at both floating and fixed rates of interest. The borrowings at floating rates reset at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, investments, bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. The other non-current financial assets represent security deposits given to various parties, loans and advances to employees and bank deposits (due for maturity after twelve months from the reporting date), and other non-current financial liabilities, the carrying value of which approximates the fair values as on the reporting date.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2018 and March 31, 2017.

Valuation

Following financial instruments are remeasured at fair value as under :

(a) The fair value of investments in quoted Equity Shares and Mutual Funds are measured at quoted price or NRV.

(b) All foreign currency denominated assets are translated using exchange rate at reporting date.

b. Financial risk management

Risk Management

The Group 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 31.03.2018 Rs. lakhs**	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Investments	**-**	224.18	927.99
Trade receivables	**16,488.27**	14,798.38	12,354.34
Cash and cash equivalents	**867.39**	515.14	531.13
Other bank balances	**1,053.56**	878.19	590.73
Loans	**1,106.03**	871.70	906.47
Other financial assets	**1,088.62**	1,701.66	1,518.19

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the Group. It arises from cash and cash equivalents, financial instruments and principally from credit exposure to customers relating to outstanding receivables. The Group continuously reviews the credit to be given and the recoverability of amounts due. Majority of the trade receivables are from parties with whom the Group had long standing satisfactory dealings

The Group's exposure to credit risk for trade receivables is as follows:

	Gross carrying amount		
Particulars	**As at 31.03.2018 Rs. lakhs**	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
1-90 days past due *	**5,125.98**	4,897.77	4,450.00
91 to 180 days past due	**3.29**	-	26.74
More than 180 days past due #	**0.02**	-	7.29
Not due	**11,358.98**	9,900.61	7,870.31
	16,488.27	14,798.38	12,354.34

* The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.

The Group continuously reviews the credit to be given and the recoverability of amounts due. Majority of the trade receivables both domestic and overseas are from parties with whom the company had long standing satisfactory dealings.

Movement in the allowance for impairment in respect of trade receivables is given below:

Particulars	**For the year ended 31.03.2018 Rs. lakhs**	For the year ended 31.03.2017 Rs. lakhs
Balance at the beginning of the year	**29.97**	39.32
Impairment loss recognised / (reversed)	**-**	-
Amount written off	**-**	(9.35)
Balance at the end of the year	**29.97**	29.97

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.

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 other bank balances of Rs. 1,920.95 lakhs as at March 31, 2018 (March 31, 2017 Rs. 1,393.33 lakhs, April 1, 2016 Rs. 1,121.86 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 31.03.2018 Rs. lakhs**	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
From banks	**2,234.12**	77.21	2,817.24

Notes to the Consolidated financial statements for the year ended March 31, 2018 (continued)

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 April 1, 2016	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
Non-current liabilities					
Borrowings	7,234.56	-	7,234.56	-	7,234.56
Other financial liabilities	65.69	-	65.69	-	65.69
Current liabilities					
Borrowings	28,661.12	28,661.12	-	-	28,661.12
Trade payables	27,585.35	27,585.35	-	-	27,585.35
Other financial liabilities	6,678.99	6,678.99	-	-	6,678.99
Total	**70,225.71**	**62,925.46**	**7,300.25**	**-**	**70,225.71**

(Rs. lakhs)

As at March 31, 2017	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
Non-current liabilities					
Borrowings	2,528.48	-	2,528.48	-	2,528.48
Other financial liabilities	99.81	-	99.81	-	99.81
Current liabilities					
Borrowings	35,538.07	35,538.07	-	-	35,538.07
Trade payables	25,417.75	25,417.75	-	-	25,417.75
Other financial liabilities	3,339.53	3,339.53	-	-	3,339.53
Total	**66,923.64**	**64,295.35**	**2,628.29**	**-**	**66,923.64**

(Rs. lakhs)

As at March 31, 2018	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
Non-current liabilities					
Borrowings	3,202.55	-	3,202.55	-	3,202.55
Other financial liabilities	90.97	-	90.97	-	90.97
Current liabilities					
Borrowings	36,090.76	36,090.76	-	-	36,090.76
Trade payables	19,795.60	19,795.60	-	-	19,795.60
Other financial liabilities	3,378.55	3,378.55	-	-	3,378.55
Total	**62,558.43**	**59,264.91**	**3,293.52**	**-**	**62,558.43**

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, 2018, March 31, 2017 and April 1, 2016 are as below:

(Rs. lakhs)

Particulars	As at March 31, 2018				
	USD	EURO	GBP	AUD	NZ$
Financial assets					
Trade receivables	7,910.26	1,593.95	51.87	-	-
Forward Contract	130.28	80.82	-	-	-
Sundry Advances	14.51	0.81	-	0.52	-
	8,055.05	**1,675.58**	**51.87**	**0.52**	**-**
Financial liabilities					
Borrowings	205.68	352.15	-	-	-
Trade payables	952.44	44.50	0.23	-	-
Commission & discount	811.20	444.25	-	-	-
Acceptances	2,789.98	-	-	-	-
Royalty	-	8.31	-	-	-
	4,759.30	**849.21**	**0.23**	**-**	**-**

(Rs. lakhs)

Particulars	As at March 31, 2017				
	USD	EURO	GBP	CHF	NZ$
Financial assets					
Trade receivables	5,733.33	1,365.76	18.24	-	-
Forward Contract	-	-	-	-	-
Sundry Advances	8.87	8.37	-	-	-
	5,742.20	**1,374.13**	**18.24**	**-**	**-**
Financial liabilities					
Borrowings	-	140.06	-	-	-
Trade payables	559.91	0.69	0.20	-	-
Commission & discount	414.14	200.31	-	-	-
Acceptances	3,084.30	-	-	-	-
Royalty	-	8.31	-	-	-
Consultancy	-	-	-	-	4.75
	4,058.35	**349.37**	**0.20**	**-**	**4.75**

(Rs. lakhs)

Particulars	As at April 01, 2016				
	USD	EURO	GBP	CHF	NZ$
Financial assets					
Trade receivables	4,710.31	-	22.53	-	-
Forward Contract	-	2,085.72	-	-	-
Sundry Advances	-	37.92	-	3.01	-
	4,710.31	**2,123.64**	**22.53**	**3.01**	**-**
Financial liabilities					
Borrowings	9.77	340.97	-	-	-
Trade payables	477.01	20.05	-	-	-
Commission & discount	214.44	158.52	-	-	-
Acceptances	3,001.80	-	-	-	-
Royalty	-	8.31	-	-	-
	3,703.02	**527.85**	**-**	**-**	**-**

Sensitivity analysis

A reasonably possible strengthening / weakening of the Indian Rupee against below currencies at March 31, 2018 (previous year ended as on March 31, 2017) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. lakhs)

Particulars	Profit or loss		Equity, net of tax	
	Weakening	Strengthening	Weakening	Strengthening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
For the year ended March 31, 2018				
USD	32.96	(32.96)	21.55	(21.55)
EUR	8.26	(8.26)	5.40	(5.40)
GBP	0.52	(0.52)	0.34	(0.34)
CHF	0.01	(0.01)	0.00	(0.00)
NZ$	-	-	-	-
	41.75	**(41.75)**	**27.29**	**(27.29)**
For the year ended March 31, 2017				
USD	16.84	(16.84)	11.01	(11.01)
EUR	10.25	(10.25)	6.70	(6.70)
GBP	0.18	(0.18)	0.12	(0.12)
NZ$	(0.05)	0.05	(0.03)	0.03
	27.22	**(27.22)**	**17.80**	**(17.80)**

USD: United States Dollar, EUR: Euro, GBP: Great British Pound, CHF: Swiss Franc, NZ: New Zealand Dollar

b. Financial risk management (continued)

III. Market risk

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

Exposure to interest rate risk

The Group's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Group to cash flow interest rate risk. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period along with the interest rate profile are as follows:

Particulars	**As at 31.03.2018 Rs. lakhs**	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Financial Assets			
Fixed Rate Instruments			
Bank Balances other than Cash & cash Equivalents	**1,053.56**	878.19	590.73
Loans	**1,106.03**	871.70	906.47
Other Financial assets	**1,088.62**	1,701.66	1,518.19
Total	**3,248.21**	3,451.55	3,015.39
Financial Liabilities			
Fixed Rate Instruments			
Term loans	**967.56**	1,403.73	2743.78
Public Deposits	**655.49**	494.99	476.59
Variable-rate instruments			
Term loans	**4,229.59**	3,441.96	9,846.52
Cash Credit	**36,090.76**	35,538.07	28,661.12
Total	**41,943.40**	40,878.75	41,728.01

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, 2018				
Interest on term loans	(48.62)	48.62	(31.79)	31.79
Interest on cash credits	(360.91)	360.91	(236.00)	236.00
For the year ended March 31, 2017				
Interest on term loans	(46.53)	46.53	(30.43)	30.43
Interest on cash credits	(355.38)	355.38	(232.39)	232.39

48. Capital management

For the purpose of the Group's capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the management of the Group's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Group manages its capital structure and makes adjustments to it in light of changes in the economic/ business conditions and requirements.

The Group's debt to capital ratio, which is calculated as interest-bearing debts (less cash & cash equivalents) divided by total capital (equity attributable to equity share holders plus interest-bearing debt) is as under:

Particulars	**As at 31.03.2018 Rs. lakhs**	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Borrowings	**41,943.40**	40,878.75	41,728.01
Less : Cash and cash equivalent	**(867.39)**	(515.14)	(531.13)
Adjusted net debt (A)	**41,076.01**	40,363.61	41,196.88
Total equity (B)	**43,394.23**	39,995.72	27,651.47
Adjusted net debt to adjusted equity ratio (A/B)	**94.66%**	100.92%	148.99%

49. Explanation of transition to Ind AS

As mentioned in note 2, to the Consolidated Financial Statements, these financial statements for the year ended March 31, 2018, are the first financial statements of the Group prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. For periods up to and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with "previous GAAP", including accounting standards notified under section 133 of the Companies Act, 2013.

The accounting policies set out in Note 2A have been applied in preparing these financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening consolidated Ind AS balance sheet as on the date of transition i.e. April 1, 2016.

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ended on or after March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2016, the Group's date of transition to Ind AS.

This note explains the principal adjustments made by the Group in restating its previous GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

According to Ind AS 101, the first Ind AS financial statements must use recognition and measurement principles that are based on standards and interpretations that are effective for the financial year ended March 31, 2018. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS financial statements. Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 1, 2016 compared with those presented in the previous GAAP Balance Sheet as of March 31, 2016, were recognised in equity within the Ind AS Balance Sheet.

Notes to the Consolidated financial statements for the year ended March 31, 2018 (continued)

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS..

Transition elections

Explanation of the Ind AS 101 exceptions and exemptions to the full retrospective application of Ind AS applied by the Group.

In the Ind AS opening Balance Sheet as at April 1, 2016, the carrying amounts of assets and liabilities from the previous GAAP as at March 31, 2016 are generally recognized and measured according to Ind AS in effect for the financial year ended as on March 31, 2018. For certain individual cases, however, Ind AS 101 provides for optional exemptions to the general principles of retrospective application of Ind AS. The Group has made use of the following exemptions in preparing its Ind AS opening Balance Sheet.

a) Ind AS optional exemptions:

(i) Property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Group has elected to measure the property, plant and equipment and intangible assets at their previous GAAP values (except land, building and plant and machinery for which the Group has decided to measure them at previous GAAP revalued amount)

(ii) Determining whether an arrangement contains a lease

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected not to be material. The Group has elected to apply this exemption for such contracts/arrangements.

(iii) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. Accordingly, the Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

b) Ind AS mandatory exceptions:

(i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

a) Determination of the discounted value for financial instruments carried at amortised cost

b) Impairment of financial assets based on expected credit loss model

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B. Reconciliations between previous GAAP and Ind AS:

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Reconciliation of equity as at April 1, 2016:

(Rs. lakhs)

Particulars	Foot Note reference	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		31,961.95	-	31,961.95
Capital work-in progress		753.28	-	753.28
Intangible assets		124.82	-	124.82
Equity accounted investees		917.84	640.81	1,558.65
Financial assets				
(i) Investments in subsidiary and associate		-	-	-
(ii) Loans	4	330.62	(11.38)	319.24
(iii) Other financial assets		129.57	-	129.57
Income-tax assets (net)		989.80	-	989.80
Other non-current assets	4	491.39	11.38	502.77
Total non-current assets		**35,699.27**	**640.81**	**36,340.08**
Current assets				
Inventories		51,041.46	-	51,041.46
Financial assets				
(i) Investments	2	895.91	32.08	927.99
(ii) Trade receivables	8	11,365.10	989.24	12,354.34
(iii) Cash and cash equivalents		531.13	-	531.13
(iv) Other Bank balances		590.73	-	590.73
(v) Loans		587.23	-	587.23
(vi) Other financial assets		1,388.62	-	1,388.62
Other current assets	3	2,698.16	1.98	2,700.14
Total current assets		**69,098.34**	**1,023.30**	**70,121.64**
Total assets		**1,04,797.61**	**1,664.11**	**1,06,461.72**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,739.84	-	1,739.84
Other equity		24,997.53	914.10	25,911.63
Total equity		**26,737.37**	**914.10**	**27,651.47**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	3	7,246.38	(11.82)	7,234.56
(ii) Other financial liabilities		65.69	-	65.69
Provisions		741.14	-	741.14
Deferred tax liabilities (Net)	10	3,459.71	459.34	3,919.05
Other non-current liabilities		7.28	-	7.28
Total non- current liabilities		**11,520.20**	**447.52**	**11,967.72**
Current liabilities				
Financial Liabilities				
(i) Borrowings	8	27,671.88	989.24	28,661.12
(ii) Trade payables		27,585.35	-	27,585.35
(iii) Other financial liabilities	3	6,737.53	(58.54)	6,678.99
Other current liabilities		3,660.22	-	3,660.22
Provisions	5	885.06	(628.21)	256.85
Total current liabilities		**66,540.04**	**302.49**	**66,842.53**
Total equity and liabilities		**1,04,797.61**	**1,664.11**	**1,06,461.72**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to the Consolidated financial statements for the year ended March 31, 2018 (continued)

(ii) Reconciliation of equity as at March 31, 2017:

(Rs. lakhs)

Particulars	Foot Note reference	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	31,358.63	1,467.94	32,826.57
Capital work-in progress		330.93	-	330.93
Intangible assets		103.76	-	103.76
Equity accounted investees		1,007.47	2,263.55	3,271.02
Financial assets				
(i) Investments in subsidiary and associate		-	-	-
(ii) Loans	4	342.67	(7.51)	335.16
(iii) Other financial assets		328.04	-	328.04
Non-current tax assets (net)		1,183.44	-	1,183.44
Other non-current assets	4	457.68	7.38	465.06
Total non-current assets		**35,112.62**	**3,731.36**	**38,843.98**
Current assets				
Inventories		55,517.70	-	55,517.70
Financial assets				
(i) Investments	2	199.76	24.42	224.18
(ii) Trade receivables	8	13,677.67	1,120.71	14,798.38
(iii) Cash and cash equivalents		515.14	-	515.14
(iv) Othe Bank balances		878.19	-	878.19
(v) Loans		536.54	-	536.54
(vi) Other financial assets		1,373.62	-	1,373.62
Other current assets		3,047.84	-	3,047.84
Total current assets		**75,746.46**	**1,145.13**	**76,891.59**
Total assets		**1,10,859.08**	**4,876.49**	**1,15,735.57**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,739.84	-	1,739.84
Other equity		34,873.13	3,382.75	38,255.88
Total equity		**36,612.97**	**3,382.75**	**39,995.72**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	3	2,517.22	11.26	2,528.48
(ii) Other financial liabilities		99.81	-	99.81
Provisions		832.20	-	832.20
Deferred tax liabilities (Net)	10	3,334.70	395.57	3,730.27
Other non-current liabilities		19.34	-	19.34
Total non- current liabilities		**6,803.27**	**406.83**	**7,210.10**
Current liabilities				
Financial Liabilities				
(i) Borrowings	8	34,417.36	1,120.71	35,538.07
(ii) Trade payables		25,417.75	-	25,417.75
(iii) Other financial liabilities	3	3,373.33	(33.80)	3,339.53
Other current liabilities		3,959.56	-	3,959.56
Provisions		274.84	-	274.84
Total current liabilities		**67,442.84**	**1,086.91**	**68,529.75**
Total equity and liabilities		**1,10,859.08**	**4,876.49**	**1,15,735.57**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

(iii) Reconciliation of total comprehensive income for the year ended March 31, 2017:

(Rs. lakhs)

Particulars	Foot Note reference	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
Revenue				
Revenue from operations	9	1,49,440.04	6,332.34	1,55,772.38
Other income	2,4,6	985.49	692.30	1,677.79
Total Income		1,50,425.53	7,024.64	1,57,450.17
Expenses				
Cost of material consumed		82,027.60	-	82,027.60
Purchase of traded goods		10,775.39	-	10,775.39
Changes in inventories of finished goods, work-in-progress and traded goods		(4,064.15)	-	(4,064.15)
Excise duty	9	-	6,332.34	6,332.34
Employee benefits expense	7	13,077.11	(167.68)	12,909.43
Finance costs	3,6	3,060.40	745.16	3,805.56
Depreciation and amortisation expense	1	1,772.52	134.95	1,907.47
Other expenses	4	28,537.98	3.94	28,541.92
Total expenses		1,35,186.85	7,048.71	1,42,235.56
Profit before share of profit of equity accounted investees and tax		15,238.68	(24.07)	15,214.61
Share of profit of equity accounted investees (net of tax)	2	89.63	(31.88)	57.75
Profit before tax	8	15,328.31	(55.95)	15,272.36
Tax expense				
Current tax expense		3,268.99	-	3,268.99
MAT credit entitlement		-	-	-
Deferred tax (credit)/ charge	7,8	(152.09)	(4.95)	(157.04)
Profit after tax		**12,211.41**	**(51.00)**	**12,160.41**
Other comprehensive income/(expense)				
Items that will not be reclassified to profit and loss				
Re-measurement gain / (loss) of defined benefit obligation	7	-	(167.68)	(167.68)
Income tax pertaining to re-measurement gain/(loss) of defined benefit obligation	7	-	58.03	58.03
Share of OCI of equity accounted investees (net of tax)		-	1,654.62	1,654.62
Total other comprehensive income/ (expense), net of taxes		**-**	**1,544.97**	**1,544.97**
Total comprehensive income/ (expense)		**12,211.41**	**1,493.97**	**13,705.38**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

(iv) Reconciliation of total equity as at March 31, 2017 and April 1, 2016

Particulars	Notes	As at 31.03.2017 Rs. lakhs	As at 01.04.2016 Rs. lakhs
Total equity (shareholders' funds) as per previous GAAP		**36,612.97**	26,737.37
Adjustments:			
Deemed cost of property, plant & equipment adjusted	1	1,602.89	-
Depreciation adjusted due to deemed cost assumption	1	(134.95)	-
Unwinding of discount on security desposits	4	3.87	-
Amortisation of deferred rent	4	(4.00)	-
Investments in mutual funds recognised at fair value	2	24.42	32.08
Adjustment for transaction costs on long term borrowings	3	20.56	70.36
Recognition of prepaid transaction cost for undrawn borrowings	3	1.98	1.98
Proposed dividend (including corporate dividend tax)	5	-	628.21
Share of profit of equity accounted investees (net of tax)		2,263.55	640.81
Deferred tax adjustment	10	**(395.57)**	(459.34)
Total adjustments		**3,382.75**	**914.10**
Total equity as per Ind AS		**39,995.72**	**27,651.47**

Notes to the Consolidated financial statements for the year ended March 31, 2018 (continued)

(v) Reconciliation of total comprehensive income/ (expense) for the year ended March 31, 2017

Particulars	Notes	For the year ended 31.03.2017 Rs. lakhs
Profit after tax as per previous GAAP		**12,211.41**
Depreciation adjusted due to deemed cost assumption	1	(134.95)
Impact of measuring investments at fair value through profit or loss	2	(7.66)
Amortisation of debt origination cost through accretion of borrowings	3	(49.01)
Reclassification of acturial (gain)/loss arising in respect of defined benefit plan to other comprehensive income	7	167.68
Unwinding of discount on security desposits	4	3.87
Amortisation of deferred rent	4	(4.00)
Share of profit of equity accounted investees (net of tax)		(31.88)
Deferred tax impact of adjustment	10	**4.95**
Others		**-**
Total adjustments		**(51.00)**
Profit after tax as per Ind AS		**12,160.41**
Other comprehensive income	7	**1,544.97**
Total comprehensive income as per Ind AS		**13,705.38**

(vi) Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016

There were no material differences between the statement of cash flows presented under Ind AS and the Previous GAAP except due to various re-classification adjustments recorded under Ind AS and difference in the definition of cash and cash equivalents under these two GAAPs.

C. Notes to the reconciliations:

1. Revaluation reserve set to zero on account of deemed cost exemption

Under previous GAAP, certain items of property, plant and equipment were revalued and a revaluation reserve was created. Under Ind AS, the revaluation reserve outstanding as at the date of transition (i.e. April 1, 2016) amounting to Rs. 1,602.89 lakhs have been recognised in retained earnings. The profit for the year ended March 31, 2017 decreased by Rs. 134.95 lakhs as a result of increased depreciation expense.

2. Fair valuation of investments in mutual funds

Under previous GAAP, investments in mutual funds were carried at lower of cost or market price. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments amounting to Rs. 32.08 lakhs have been recognised in total equity as at the date of transition (i.e. April 1, 2016). The profit for the year ended March 31, 2017 has decreased by Rs 7.66 lakhs and total equity for the year ended March 31, 2017 has increased by Rs. 24.42 lakhs due to the fair value changes.

3. Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at March 31, 2017 have been reduced by Rs. 20.56 lakhs (April 1, 2016 – Rs. 70.36 lakhs) with a corresponding increase in retained earnings. The transaction costs amounting to Rs. 1.98 lakhs on undrawn amount of borrowings have been recognised under other current assets as on 1 April, 2016 with a corresponding increase in retained earnings. The profit for the year ended March 31, 2017 reduced by Rs. 49.01 lakhs as a result of the additional interest expense based on the effective interest method.

4. Security deposits

Under Previous Indian GAAP, interest free security deposits (that are refundable in cash on completion of the term) are recorded at their transaction value. Under Ind AS, such financial assets are required to be recognised initially at their fair value and subsequently at amortised cost. Difference between the fair value and transaction value of the security deposit has been recognised as deferred rent. Consequent to this change the amount of security deposit as on March 31, 2017 has decreased by Rs.7.51 lakhs (April 1, 2016 : Rs. 11.38 lakhs) with a creation of deferred rent (included in other non-current and current assets) of Rs. 7.38 lakhs (April 1, 2016 : Rs. 11.38 lakhs). The unwinding of security deposit happens by recognition of a notional interest income in Statement of Profit and Loss at effective interest rate. The deferred rent gets amortised on a straight line basis over the term of the security deposits. The profit and total equity for the year ended March 31, 2017 decreased by Rs. 0.13 lakhs due to amortisation of deferred rent by Rs. 4.00 lakhs and increase in notional interest income of Rs. 3.87 lakhs recognised on security deposits (included in other income).

5. Proposed dividend

Under the previous GAAP upto March 31, 2016, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend and corporate dividend tax of Rs. Nil lakhs as at March 31, 2017 (April 1, 2016 – Rs. 628.21 lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

6. Government grant

Under the previous GAAP, interest expense was recorded net of interest subvention. Under Ind AS, the amount of interest expense is recorded on gross basis and the benefit of interest subvention is recorded as government grant under other income. As a result, other income for the year ended March 31, 2017 is increased by Rs. 696.08 lakhs with a corresponding increase in finance cost amounting to Rs. 696.08 lakhs. There is no impact on the total equity as at March 31, 2017.

7. Employee benefits: Remeasurement of post employment benefit plans

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss. Under previous GAAP these were forming part of the statement of profit and loss for the year. As a result. employee benefit expense to the extent of actuarial loss amounting to Rs. 109.65 lakhs (net of taxes) for the year ended March 31, 2017 has been reduced and the same has been reclassified to other comprehensive income. There is no impact on the total equity as at March 31, 2017.

8. Grossing up of bills discounting

Under previous GAAP, trade receivables and current borrowings were set -off on discounting of bills. Under Ind AS, such bills dicounting is presented on gross basis as these do not meet the conditions of set-off. Consequent to this change the amount of trade receivables as on March 31, 2017 has increased by Rs. 1120.71 lakhs (April 1, 2016 : Rs. 989.24 lakhs) with a corresponding increase in current borrowings by Rs. 1120.71 lakhs (April 1, 2016 : Rs. 989.24 lakhs). There is no impact on the total equity as at March 31, 2017.

9. Revenue from operations

Under previous GAAP, revenue from operations was disclosed net of excisy duty on sales. Under Ind AS, revenue is shown gross of excise duty and the amount of excisy duty is shown as expense in the statement of profit and loss. Consequent to this change the amount of revenue from operations for the year ended March 31, 2017 has increased by Rs. 6332.34 lakhs and a separate line item for expense on account of excisy duty amounting to Rs. 6332.34 lakhs is presented in the statement of profit and loss. There is no impact on the total equity as at March 31, 2017.

10. Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in reserve and surplus or a separate component of equity. On the date of transition (i.e April 1, 2016), the net impact on deferred tax liabilities is of Rs. 459.34 lakhs (March 31, 2017: Rs. 395.57 lakhs). The profit and total equity for the year ended March 31, 2017 increased by Rs. 63.77 lakhs due to differences in taxable profits and accounting profits.

11 Fair valuation of equity investments by associate

Under previous GAAP, investments in equity instruments were carried at lower of cost or market price. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investment amounting to Rs.1654.62 lakhs have been recognised in the statement of profit and loss in other comprehensive income. The profit for the year ended March 31,2017 has increased by Rs.1,654.62 lakhs and total equity for the year ended March 31, 2017 has increased by Rs 1,654.62 lakhs due to the fair value changes.

12. Other comprehensive income

Under previous GAAP, there was no requirement to disclose any item of statement of profit and loss in other comprehensive income. However as per requirement of Ind AS certain items of profit or loss are to be reclassified to other comprehensive income. Consequent to this, the Company has reclassified remeasurement of defined benefit plans from the statement of profit and loss to other comprehensive income.

50. Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities'

(a) Subsidiary company

The group's subsidiaries at 31 March 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

(Rs.lakhs)

Name of entity	"Place of business/ country of incorpora-tion"	Ownership interest held by the group as at			Ownership interest held by non-controlling interests as at			Principal activities
		"As at March 31, 2018"	"As at March 31, 2017"	"As at April 1, 2016"	**"As at March 31, 2018"**	"As at March 31, 2017"	"As at April 1, 2016"	
Daurala Foods and Beverages Private Limited	India	**100.00**	100.00	100.00	**-**	-	-	The Company deploys its surplus funds in permitted securities such as short term mutual Funds, Bank Deposits etc.

(b) Summarised financial information for associate company

The tables below provide summarised financial information for associates of the group. The information disclosed reflects the amounts presented in the financial statements of the associate companies and not the Group's share of those amounts.

(i) Summarised balance sheet

(Rs.lakhs)

Particulars	DCM Hyundai Limited		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Current assets			
Cash and cash equivalents	**13.87**	36.63	34.31
Other assets	**1,284.72**	1,146.98	1,240.79
Total current assets	**1,298.59**	1,183.61	1,275.10
Total non-current assets	**6063.49**	8742.39	4696.93
Current liabilities			
Financial liabilities (excluding trade payables)	**46.52**	197.91	366.64
Other liabilities	**0.29**	1.97	224.07
Total current liabilities	**46.81**	199.88	590.71
Non-current liabilities			
Financial liabilities (excluding trade payables)	**2,478.67**	3,004.89	2,138.57
Other liabilities	**20.81**	20.51	16.69
Total non-current liabilities	**2,499.48**	3,025.40	2,155.26
Net assets	**4,815.79**	6,700.72	3,226.06

(ii) Reconciliation to carrying amounts

(Rs.lakhs)

Particulars	DCM Hyundai Limited	
	As at 31.03.2018	As at 31.03.2017
Opening net assets	**6,700.72**	3,226.06
Profit for the year	**138.90**	117.19
Other comprehensive income	**(2,023.83)**	3,357.47
Dividends paid	**-**	-
Closing net assets	**4,815.79**	6,700.72
Group's share in %	**49.28%**	49.28%
Group's share	**2,373.30**	3,302.22
Goodwill	**-**	-
Consolidation adjustments	**(31.20)**	(31.20)
Carrying amount	**2342.10**	3271.02

(iii) Summarised statement of profit and loss

(Rs.lakhs)

Particulars	DCM Hyundai Limited	
	For the year ended 31.03.2018	For the year ended 31.03.2017
Revenue from operations	**474.11**	607.32
Other income	**290.30**	287.57
Depreciation and amortisation	**44.19**	43.41
Interest expense	**5.51**	22.38
Income tax expense	**67.19**	31.65
Profit for the year	**138.90**	117.19
Other comprehensive income	**(2,023.83)**	3,357.47
Total comprehensive income	**(1,884.93)**	3,474.66
Dividends received	**-**	-

51. Disclosure as per Schedule III to the Companies Act, 2013

(Rs.lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities as at		Share in profit or loss for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
DCM Shriram Industries Limited								
31 March 2018	**92.27%**	**40,793.38**	**97.86%**	**5,755.77**	**9.97%**	**(110.43)**	**118.26%**	**5,645.34**
31 March 2017	89.48%	36,509.16	98.98%	12,036.31	-7.10%	(109.65)	87.02%	11,926.67
01 April 2016	91.70%	25,943.62	-	-	-	-	-	-
Subsidiary								
Daurala Foods & Beverages Private Limited								
31 March 2018	**2.44%**	**1,077.74**	**0.97%**	**57.16**	**0.00%**	**-**	**1.20%**	**57.16**
31 March 2017	2.50%	1,020.57	0.55%	66.31	0.00%	-	0.48%	66.34
01 April 2016	3.37%	954.27	-	-	-	-	-	-
Associate								
DCM Hyundai Limited								
31 March 2018	**5.30%**	**2,342.10**	**1.16%**	**68.45**	**90.03%**	**(997.38)**	**-19.46%**	**(928.93)**
31 March 2017	8.02%	3,271.02	0.47%	57.75	107.10%	1,654.62	12.49%	1,712.37
01 April 2016	4.92%	1,392.65	-	-	-	-	-	-
Total								
31 March 2018	**100.00%**	**44,213.22**	**100.00%**	**5,881.39**	**100.00%**	**(1,107.81)**	**100.00%**	**4773.57**
31 March 2017	100.00%	40,800.76	100.00%	12,160.41	100.00%	1,544.97	100.00%	13,705.38
01 April 2016	100.00%	28,290.54	-	-	-	-	-	-
Adjustment due to consolidation								
31 March 2018		**818.99**		**13.94**		**-**		**-**
31 March 2017		805.03		-		-		-
01 April 2016		639.07		-		-		-
Consolidation Net Asset / Profit after Tax								
31 March 2018		**43,394.23**		**5,867.44**		**(1,107.81)**		**4,759.63**
31 March 2017		39,995.72		12,160.41		1,544.97		13,705.38
01 April 2016		27,651.47		-		-		-

Notes to the Consolidated financial statements for the year ended March 31, 2018 (continued)

52. Research and development expenses amounting to Rs. 472.95 lakhs (March 31, 2017: Rs. 170.33 lakhs) have been charged to the respective revenue accounts. Capital expenditure relating to research and development amounting to Rs. 48.61 lakhs (March 31, 2017: Rs. 18.05 lakhs) has been included in property, plant and equipment.

53. Parties covered under "The Micro, Small and Medium Enterprise Development Act, 2006" (MSMED Act, 2006) have been identified on the basis of confirmation received. Based upon the information available, the balance due to the Micro and Small Enterprises as defined under the MSMED Act, 2006 is Rs. Nil (March 31, 2017: Rs. Nil, April 1, 2016: Rs. Nil). Further no interest during the year has been paid or is payable under the terms of the MSMED Act, 2006.

54. Disclosures related to government grant

The government grant/government assistance recognised are as under:

Nature of Grant/assistance	**Income Head**	**For the year ended 31.03.2018 Rs. lakhs**	For the year ended 31.03.2017 Rs. lakhs
Benefit of subvention on loan interest	Other income	**350.42**	696.08

55. Immovable properties of Rs. 888.99 lakhs yet to be endorsed in the name of Group are as under :

(Rs. lakhs)

Particluars	**Amount as on March 31, 2018**	**Remarks**
Land situated at Daurala, Uttar Pradesh (UP) and Kota, Rajasthan	**844.04 ***	Vested in the Company pursuant to a Scheme of Arrangement of erstwhile DCM Limited
Land situated at Daurala, UP	**44.95**	The title deeds are in the name of Daurala Organics Limited which was merged with the Group under section 391 to 394 of the Companies Act, 1956 in terms of approval of honorable High Court

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

56. The details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November 2016 to 30th December, 2016 are as under :

(Rs. lakhs)

Particulars	**SBNs**	**Other Denominations Notes**	**Total**
Closing cash in hand as on 8.11.2016	42.63	7.39	50.02
(+) Permitted Receipts	-	82.95	82.95
(-) Permitted Payments	-	66.64	66.64
(-) Amount Deposited in banks	42.63	-	42.63
Closing cash in hand as on 30.12.2016	-	23.70	23.70

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022
Kaushal Kishore
Partner
Membership No.: 090075
Place : New Delhi
Date : 29.5.2018

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager & Company Secretary

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

Tilak Dhar
Chairman & Managing Director

P.R. Khanna
Director

Alok B. Shriram
Vice Chairman &
Dy. Managing Director

Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1.	Sl. No.	-
2.	Name of the subsidiary	Daurala Foods & Beverages Pvt. Ltd.
3.	The date since when subsidiary was acquired	6th February, 2007
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.
6.	Share capital	7,50,00,000
7.	Reserves & surplus	3,27,73,865
8.	Total assets	10,78,57,655
9.	Total Liabilities	10,78,57,655
10.	Investments	-
11.	Turnover	86,24,736
12.	Profit before taxation	79,77,955
13.	Provision for taxation	22,61,586
14.	Profit after taxation	57,16,368
15.	Proposed Dividend	-
16.	% of shareholding	100%

Note: There is no subsidiary which is yet to commence operations or which has been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

(Rs.)

Name of Associates /Joint Ventures	DCM Hyundai Ltd.
1. Latest audited Balance Sheet Date	March 31, 2018
2. Date on which the Associate was associated	July 17, 1995
3. Shares of Associate/Joint Ventures held by the company on the year end:	
- No.	19,72,000
- Amount of Investment in Associates/Joint Venture	Rs. 1,66,00,005/-
- Extent of Holding %	49.28%
4. Description of how there is significant influence	Holding more than 20% Equity Share Capital
5. Reason why the associate/joint venture is not consolidated	N.A.
6. Networth attributable to Shareholding as per latest audited Balance Sheet	Rs. 23,73,21,693/-
7. Profit / Loss for the year	
i) Considered in Consolidation	Rs. 68,44,601/-
ii) Not Considered in Consolidation	Rs. 70,44,605/-

Note : There is no associate or joint venture which is yet to commence operations or which has been liquidated or sold during the year.

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

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager &
Company Secretary

Tilak Dhar
Chairman & Managing Director

Alok B. Shriram
Vice Chairman &
Dy. Managing Director

P.R. Khanna
Director

Place : New Delhi
Date : 29.5.2018

Route Map Kamani Auditorium, 1, Copernicus Marg

DCM SHRIRAM INDUSTRIES LIMITED

(CIN: L74899DL1989PLC035140)
Regd.Office:Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110 001

ADMISSION SLIP

PLEASE COMPLETE THE ADMISSION SLIP AND HAND IT OVER AT THE ENTRANCE TO THE MEETING.

I HEREBY RECORD MY PRESENCE AT THE 27th ANNUAL GENERAL MEETING OF DCM SHRIRAM INDUSTRIES LIMITED ON **Saturday, 11th August, 2018 at 10.00 AM at the Kamani Auditorium, 1, Copernicus Marg (Near Mandi House), New Delhi- 110 001**

SIGNATURE OF THE SHAREHOLDER/ PROXY

Notes:- Shareholders who come to attend the meeting are requested to bring their copies of the Annual Report with them.

- Shareholders having any queries on accounts are requested to send them 10 days in advance of the date of Annual General Meeting to the Company to enable it to collect the relevant information.
- This Admission Slip is valid only in case shares are held on the record date for this AGM.

E-VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD

Note: Please read instructions in Note 13 of the Notice of the 27th Annual General Meeting of the Company before casting your vote through e-voting.

DCM SHRIRAM INDUSTRIES LIMITED

(CIN: L74899DL1989PLC035140)
Regd. Office:Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110 001

PROXY FORM

Member's Folio/ DP ID-Client ID No. ....
Name of Member(s) : ……..……….……………..……….……………..………….
Registered Address :……..………..…………..………..…………..………..………..………..……..……
……..………..………..………..………..………..………..………..…………..……..……

I/ We, being the Members(s), holding ……..………… shares of the above named company, hereby appoint:

1) Name …………………………………………. Address: ………………...
Email ID ………………………………………. Signature: ……………….......... or failing him/ her
2) Name …………………………………………. Address: ………………...
Email ID …………………………………… Signature: ……………….......... or failing him/ her
3) Name …………………………………………. Address: ………………...
Email ID …………………………………… Signature: …………………..........

as my/ our Proxy to attend and vote (on a poll) for me/us on my/our behalf at the 27th Annual General Meeting of the Company to be held on **Saturday, 11th August, 2018 at the Kamani Auditorium, 1, Copernicus Marg (Near Mandi House), New Delhi- 110 001** and any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	**Resolutions**	**Optional ***	
Ordinary Business:		**FOR**	**AGAINST**
1	Adoption of Accounts - 2017-18		
2	Declaration of dividend on equity shares		
3	Appointment of Shri K.N. Rao, who retires by rotation and, being eligible, offers himself for reappointment		
Special Business :			
4	Ratification of remuneration to Cost Auditors – 2018-19		
5	Reappointment of Shri Alok B. Shriram, Vice Chairman & Dy. Managing Director		
6	Reappointment of Shri Tilak Dhar, Chairman & Managing Director		
7	Reappointment of Shri Madhav B. Shriram, Dy. Managing Director		

Signed this ……………. Day of ……………………. 2018

Signature of the Shareholder(s)..............

Email ID :……..……..…………..……..……

Affix Revenue Stamp

Signature of Proxy holder(s) ....

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Regd. office of the Company not less than 48 hours before the commencement of the Meeting.
2. For Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 27th Annual General meeting, which is part of the Annual Report.
3*. It is optional to put a `X' in the appropriate column against the Resolutions indicated in the Box. If you leave the `For" or `Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of Member(s) in above box before submission.