

DAURALA FOODS & BEVERAGES PVT. LIMITED : NEW DELHI

DIRECTORS' REPORT

The Directors have pleasure in presenting the Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2015.

FINANCIAL RESULTS

The summarized financial results are given below:

| Particulars | 2014-15 | Rs./Lac |
|---|---------|---------|
| | | 2013-14 |
| Revenue | 92 | 86 |
| Gross Profit/(Loss) before depreciation | 91 | 85 |

The Company's Bottling Plant and Machinery continued to be on lease with the holding Company.

The Company's operations continue to be under temporary suspension during the year.

AUDITORS REPORT

There are no qualification, reservation or adverse remarks or disclaimer in the Auditors' Report to the members on the annual financial statements for the year ended 31.3.2015.

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.

BOARD MEETINGS AND DIRECTORS

During the year 2014-15 five board meetings were held.

Shri A. Thomas was co-opted as an Additional Director on the Board with effect from 4.12. 2014. He holds office till the forthcoming AGM and is proposed to be appointed as Director liable to retire by rotation.

Shri Y.D. Gupta resigned from the Board on 9.12.2014 for personal reasons.

Shri T.V. Narayanaswamy, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013 , your Directors state:

- i) In the preparation of the annual accounts the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) 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.
- iii) 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.
- iv) The directors had prepared the annual accounts on a going concern basis.
- v) 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
- vi) the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

LOANS, GUARANTEES AND INVESTMENTS

The Company has not provided any loans, guarantees or made any investments during the year except that the Company had placed some inter corporate deposits of surplus funds for short periods. The information is given in Note no. 8 of the annual financial statements.

RELATED PARTY TRANSACTIONS

The Company has not entered into any related party transactions during the year. The details of ongoing transaction with the holding company, DCM Shriram Industries Ltd. is given in Note no. 14 to the annual financial statements.

OTHER STATUTORY INFORMATION

No significant material orders have been passed by any Regulator, Courts or Tribunal impacting the going concern status and Company's operations in future.

Extract of the Annual Return for the year 2014-15 in Form MGT 9 is annexed.

No information is to be reported under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy etc. and particulars of employees under Section 197(2) of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 in view of Company's operations being under temporary suspension during the year.

ACKNOWLEDGEMENT

Directors wish to place on record their appreciation for the co-operation and assistance extended to the Company by the holding Company.

FOR AND ON BEHALF OF THE BOARD

Kiran Singh

(DIRECTOR)

[Signature]

(JT. MANAGING DIRECTOR)

New Delhi
May 22, 2015

[Signature]

Report of the auditors of Daurala Foods and Beverages Private Limited to A.F. Ferguson & Co., auditors of DSIL

We have audited the accompanying standalone financial statements of DAURALA FOODS AND BEVERAGES PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended and other reconciliations and information (all collectively referred to as the Fit for Consolidation (FFC) Accounts).

Management's Responsibility for the FFC Accounts

These FFC Accounts are the responsibility of the Company's Board of Directors. This responsibility also includes maintenance of adequate accounting records 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 financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these FFC Accounts based on our audit. 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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the FFC Accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the FFC Accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the FFC Accounts 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 Management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

These FFC accounts have been prepared solely to enable DSIL to prepare its Consolidated Financial Statements in accordance with Accounting Standard 21, 'Consolidated Financial Statements' and not to report on Daurala Foods and Beverages Private Limited as a separate entity. Accordingly, these FFC Accounts are not intended to present a true and fair view of the balance sheet of Daurala Foods and Beverages Private Limited as at March 31, 2015 and of the result of operations and cash flows for the year then ended in accordance with generally accepted accounting principles in India.



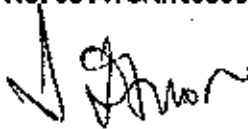
Opinion

In our opinion, these FFC Accounts have been prepared, in all material respects, in conformity with accounting principles of DSIL and the instructions received from Chief Financial Officer (C.F.O) and are suitable for inclusion in the Consolidated Financial Statements in accordance with Accounting Standard 21, 'Consolidated Financial Statements'.

We further state that there are no matters that, in our judgment, need to be reported to you.

This report is intended solely for the use of A.F. Ferguson & Co. in connection with the audit of the Consolidated Financial Statements of DSIL and should not be used for any other purpose.

**For S.R.DINODIA & CO.LLP
CHARTERED ACCOUNTANTS
REGN. NO. 001478N/N500005**



**(SANDEEP DINODIA)
PARTNER
M.NO. 083689**

**PLACE: NEW DELHI
DATE: 22 MAY 2015**

INDEPENDENT AUDITOR'S REPORT**To the Members of M/S DAURALA FOODS AND BEVERAGES PRIVATE LIMITED
Report on the Financial Statements**

We have audited the accompanying financial statements of **M/S DAURALA FOODS AND BEVERAGES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2015**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 there under.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion


In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at **March 31, 2016**;
- (b) in the case of the Statement of Profit and Loss, of the **Profit** for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Companies Act 2013, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and further proper returns adequate for the purpose of audit has been received from the branches not visited by us;
 - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. In our opinion there are no financial transactions or matters that may have adverse effect on the functioning of the Company
 - f. On the basis of written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013;
 - 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. On the basis of written representation received from the management of the Company, no litigation is pending against the Company's which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

For S.R.DINODIA & CO.LLP
CHARTERED ACCOUNTANTS
REGN. No. 001478N/N500005


(SANDEEP DINODIA)
PARTNER
M.NO. 083689

PLACE: NEW DELHI
DATE: 22 MAY 2015

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal & Regulatory Requirements" of our report of even date)

RE: M/S DAURALA FOODS AND BEVERAGES PRIVATE LIMITED

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management during the year and in our opinion, is reasonable having regard to the size of the company and the nature of assets. No material discrepancies were noticed on such verification.
- ii) Company does not hold any inventory. Therefore, the provisions of clause (ii) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause (iii) (a) to (b) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices, there is no continuing failure to correct the weaknesses in the aforesaid internal control systems.
- v) In our opinion and according to the information and explanation given to us, since the company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.
- vi) There are no cost records prescribed by the Central Government under sub section (1) of section 148 of the Act for operations carried on by the Company. Therefore, the provisions of clause 3(vi) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, provident fund, value added tax, excise duty, service tax, cess & other material statutory dues applicable to it. According to the information and explanation given to us employees' state insurance, wealth tax, custom duty, etc. are not applicable to the current operations of the company. Further no undisputed amounts were payable in respect of income tax and other statutory dues were outstanding, as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company examined by us and the information and explanations given to us, there are no dues of income tax and other statutory dues which have not been deposited on account of any dispute.
- (c) On the basis of information and explanations given to us by the management, no amount was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under.



- viii) The Company's accumulated losses of Rs. 76,778,599 as at the end of the financial year and are more than fifty percent of its net worth. However, the company has not incurred any cash losses during the financial year covered by our audit and in the immediate preceding financial year.
- ix) There were no dues payable to any financial institution or bank or debenture holders during the year. Therefore, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- x) The company has not given guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 3(x) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- xi) The company has not taken any term loans during the year. Therefore, the provisions of clause 3(xi) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- xii) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.

For S.R.DINODIA & CO.LLP
CHARTERED ACCOUNTANTS
REGN. NO. 001478N/N500005


(SANDEEP DINODIA)
P A R T N E R
M.NO. 083689

PLACE: NEW DELHI
DATE: 22 MAY 2015

DAURALA FOODS & BEVERAGES PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2015

(Amount in Rs.)

| Particulars | Note No. | AS AT | | AS AT | |
|--------------------------------|----------|--------------------------|--|--------------------------|--|
| | | MARCH 31, 2015 | | MARCH 31, 2014 | |
| EQUITY AND LIABILITIES | | | | | |
| Shareholders' Funds | | | | | |
| Share capital | 3 | 75,000,000 | | 75,000,000 | |
| Reserves and surplus | 4 | 15,211,301 | | 14,012,799 | |
| | | <u>90,211,301</u> | | <u>89,012,799</u> | |
| Current liabilities | | | | | |
| Trade payables | 5 | 61,416 | | 61,416 | |
| Other current liabilities | 5 | 6,000 | | 9,800 | |
| | | <u>67,416</u> | | <u>71,216</u> | |
| Total | | <u>90,278,717</u> | | <u>89,084,015</u> | |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Fixed assets | | | | | |
| - Tangible assets | 6 | 2,113,940 | | 7,201,181 | |
| Deferred tax assets (net) | 7 | 104,314 | | 2,915,584 | |
| Long - term loans and advances | 8 | 12,734,162 | | 10,468,901 | |
| | | <u>14,952,426</u> | | <u>20,585,666</u> | |
| Current assets | | | | | |
| Cash and Bank Balances | 10 | 25,241,950 | | 15,918,897 | |
| Short term loans and advances | 8 | 48,003,226 | | 50,415,668 | |
| Other Current Assets | 9 | 2,081,116 | | 2,165,784 | |
| | | <u>75,326,291</u> | | <u>68,500,349</u> | |
| Total | | <u>90,278,717</u> | | <u>89,084,015</u> | |

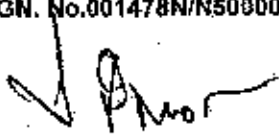
Summary of significant accounting policies 2

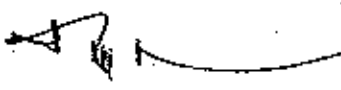
The accompanying notes are an integral part of the financial statements


As per our report of even date attached

For S.R DINODIA & CO. LLP.
 CHARTERED ACCOUNTANTS
 REGN. No.001478N/NS00005

For and on behalf of Board of Directors


 (SANDEEP DINODIA)
 PARTNER
 M.NO. 083689


 (ANIL GUJRAL)
 JT. MANAGING DIRECTOR
 DIN 00374282


 (A. THOMAS)
 DIRECTOR
 DIN 07017889


 (PANKAJ BANSAL)
 COMPANY SECRETARY

PLACE: NEW DELHI

DATED: 22 MAY 2015

DAURALA FOODS & BEVERAGES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

| Particulars | Notes | (Amount in Rs.) | |
|---------------------------------------|--------------------|------------------------------|------------------------------|
| | | YEAR ENDED MARCH 31, 2015 | YEAR ENDED MARCH 31, 2014 |
| REVENUE | | | |
| Other Income | 11 | 9,213,407 | 8,605,553 |
| Total Revenue | | <u>9,213,407</u> | <u>8,605,553</u> |
| EXPENSES | | | |
| Depreciation and amortization expense | 6 | 250,377 | 1,549,229 |
| Other expenses | 12 | 115,402 | 107,356 |
| Total Expenses | | <u>366,779</u> | <u>1,656,585</u> |
| Profit before Tax | | 8,846,628 | 6,948,968 |
| Tax expense: | | | |
| Current tax | 1,685,886 | 1,324,128 | 28,988 |
| Tax for earlier years | - | - | (1,353,114) |
| Less: MAT credit entitlement | <u>(1,685,886)</u> | - | - |
| Deferred tax | | 2,811,270 | (167,098) |
| Profit for the year | | <u>6,035,358</u> | <u>7,116,086</u> |
| Earnings per equity share | | | |
| - Basic/Diluted | 13 | 0.80 | 0.95 |

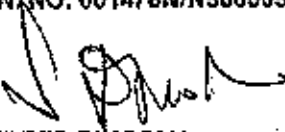
Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For S.R DINODIA & CO. LLP.
 CHARTERED ACCOUNTANTS
 REGN. NO. 001478N/N500005

For and on behalf of Board of Directors


 (SANDEEP DINODIA)
 PARTNER
 M.NO. 083689


 (ANIL GUJRAL)
 JT. MANAGING DIRECTOR
 DIN 00374282


 (A. THOMAS)
 DIRECTOR
 DIN 07017889


 (PANKAJ BANSAL)
 COMPANY SECRETARY

PLACE: NEW DELHI
 DATED: 22 MAY 2015

DAURALA FOODS & BEVERAGES PRIVATE LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(Amount in Rs.)

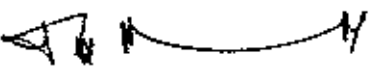
| PARTICULARS | YEAR ENDED MARCH 31, 2015 | YEAR ENDED MARCH 31, 2014 |
|---|------------------------------|------------------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 8,846,628 | 6,948,968 |
| Adjustments for: | | |
| Depreciation | 250,377 | 1,649,229 |
| Interest income | (7,530,707) | (6,919,404) |
| Operating profit before working capital changes | 1,566,298 | 1,578,793 |
| Adjustments for: | | |
| Increase / (Decrease) in Trade Payables | - | (300,415) |
| Increase / (Decrease) in Other Current Liabilities | (3,600) | (9,140) |
| Decrease / (Increase) in Short Term Loans and Advances and other current assets | (921) | 209 |
| Cash generated from operations | 1,561,677 | 1,269,447 |
| Income tax | (581,375) | (1,207,108) |
| MAT | (1,885,886) | (1,353,114) |
| Net cash from operating activities | (705,684) | (1,290,773) |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 7,615,378 | 7,447,639 |
| Premium received on long term non trade investment | | |
| Maturity of Bank deposits having original maturity of more than 3 months | 6,503,294 | (984,309) |
| Investments in Bank Deposits | (15,200,000) | (4,000,000) |
| Inter corporate deposits made | (8,000,000) | (281,837) |
| Inter corporate deposits received back | 10,413,362 | - |
| Net cash used in Investing activities | 332,032 | 2,181,493 |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net cash from / (used) in financing activities | - | - |
| Net decrease in cash and cash equivalents (A+B+C) | (373,652) | 890,720 |
| Cash and cash equivalents | | |
| - At beginning of year | 3,249,085 | 2,358,365 |
| - At end of year | 2,876,433 | 3,249,085 |
| Cash & Cash Equivalents Includes : | | |
| - Cash on hand | 996 | 316 |
| - Balance with Scheduled Banks : In Current Account | 2,874,437 | 3,248,769 |
| | 2,876,433 | 3,249,085 |


Summary of significant accounting policies


As per our report of even date attached
 For S.R. DINODIA & CO.LLP.
 CHARTERED ACCOUNTANTS
 REGN. NO. 001478N/N500005

For and on behalf of Board of Directors


 (SANDEEP DINODIA)
 PARTNER
 M.NO. 083689


 (ANIL GUJRAL)
 JT. MANAGING DIRECTOR
 DIN 80374262


 (A. THOMAS)
 DIRECTOR
 DIN 07017889


 (PANKAJ BANSAL)
 COMPANY SECRETARY

PLACE: NEW DELHI

DATED: 22 MAY 2015

1. Corporate Information:

M/s Daurala Foods & Beverages Private Limited is a private limited Company domiciled in India and incorporated on 11th November, 1954 under the provisions of the Companies Act, 1956

2. Significant Accounting Policies:-

(i) Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable mandatory Accounting Standards and relevant disclosure requirements of the Companies Act, 2013.

(ii) Use of Estimates

The preparation of financial statements is in conformity with Generally Accepted Accounting Principles, which requires making of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the reporting year. Difference between the actual results and estimates are recognized in Statement of Profit and Loss in the year in which the results are known or materialized.

(iii) Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, levies and all incidental expenses attributable to the acquisition of assets up to the date of commissioning of the assets.

(iv) Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(v) Depreciation

- i. Depreciable amount for assets is the cost of an asset, or other amounts substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method in the manner and as per the useful life specified in schedule II to the Companies Act, 2013
- ii. Depreciation is calculated on pro-rata basis only in respect of additions to plant and machinery having a cost in excess of Rs 5000. Assets costing upto Rs 5000 are fully depreciated in the year of purchase. No depreciation is provided on assets sold, discarded, etc during the year.
- iii. In respect of assets taken on finance lease, depreciation is provided in accordance with the policy followed for owned assets.

(vi) Valuation of Inventories

Inventories are valued as under:

Raw Material, Stores and Spare parts:

Valued at lower of cost or net realizable value, cost is determined on weighted average basis and includes all cost incurred in bringing the inventories to their present location.

Work in progress:

Valued at lower of cost or net realizable value, cost is determined on weighted average basis.

Finished Goods:

Valued at lower of cost or net realizable value, cost is determined on weighted average basis and inclusive of appropriate share of labour and production overheads and excise duty.



(vii) **Investments**

- Long-term investments are stated at cost as reduced by amount written off/provision made for diminution of permanent nature in value.
- Current investments are stated at cost or fair value whichever is lower.

(viii) **Foreign currency transactions**

Initial Recognition: Transactions denominated in Foreign Currencies are recorded at the exchange rate prevailing at the time of the transaction.

Conversion: Monetary items denominated in foreign currency are reported using the closing exchange rate on each Balance Sheet Date. Non - monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences: The exchange difference arising on the settlement of monetary items or reporting these items at rates different from rates at which these were initially recorded / reported in previous financial statements are recognized as income/expense in the period in which they arise.

(ix) **Revenue recognition**

- Sales are recognized at the time of transfer of risks and rewards to the customers and recorded net of sales returns, trade discount and Sales Tax but inclusive of excise duty. Other incomes are recognized on accrual basis.
- Interest Income is accounted for on time proportion basis.
- Lease rentals in respects of assets given on operating lease are credited to the statement of profit and loss under the head other income on accrual basis as per terms and conditions specified in the lease agreement.

(x) **Excise Duty**

Excise duty is payable in the state where it is sold and payable by the customers except where the goods are transferred to own bonded warehouse and is accounted for only where it is payable by the company.

(xi) **Taxes on Income**

- Current tax, if any is provided on the basis of taxable income according to prevalent tax laws.
- Deferred Tax as resulting for timing differences between book and taxable profit is accounted for using the tax rates and laws that have been enacted or subsequently enacted as on the balance sheet date. Deferred tax assets subject to consideration of prudence are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(xii) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(xiii) **Leases**

Lease rentals in respect of assets given on operating lease are credited to the Statement of Profit and Loss on accrual basis as per terms and conditions specified in the lease agreement.

(xiv) **Cash Flow Statement**

Cash flow is reported in the Indirect method as specified in the Accounting Standard (AS)-3, 'Cash Flow Statement'.



DAURALA FOODS & BEVERAGES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

| Note 3 : Share Capital | (Amount in Rs.) | |
|---|-------------------------|-------------------------|
| | AS AT March 31, 2015 | AS AT March 31, 2014 |
| Authorised Share Capital 12,000,000 (March 31, 2014 : 12,000,000) equity shares of Rs. 10 each | 120,000,000 | 120,000,000 |
| | <u>120,000,000</u> | <u>120,000,000</u> |
| Issued, subscribed and fully paid up 7,500,000 (March 31, 2014 : 7,500,000) equity shares of Rs. 10 each | 75,000,000 | 75,000,000 |
| | <u>75,000,000</u> | <u>75,000,000</u> |

a. Share Capital Reconciliation

| | March 31, 2015 | | March 31, 2014 | |
|---|------------------|-------------------|------------------|-------------------|
| | No. of shares | Amount (Rs) | No. of shares | Amount (Rs) |
| Balances of Shares at the beginning of year | 7,500,000 | 75,000,000 | 7,500,000 | 75,000,000 |
| Add:- Addition during the year | - | - | - | - |
| Less:- Buy back during the year | - | - | - | - |
| Balances of Shares at the end of the year | <u>7,500,000</u> | <u>75,000,000</u> | <u>7,500,000</u> | <u>75,000,000</u> |

b. Terms/rights attached to Equity Shares

The company has only one class of equity shares having a par value of ₹.10 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholder holding more than 5 percent shares in the company

| | March 31, 2015 | | March 31, 2014 | |
|--|----------------|-----------|----------------|-----------|
| | No. of shares | % holding | No. of shares | % holding |
| DCM Shriram Industries Limited (Holding Company) | 7,499,990 | 99.99 | 7,499,990 | 99.99 |

Note 4 : Reserves and surplus

| | (Amount in Rs.) | |
|---|-------------------------|-------------------------|
| | As At March 31, 2015 | As At March 31, 2014 |
| Capital reserve | | |
| Opening balance | 91,989,900 | 91,989,900 |
| Add: Addition during the year | - | - |
| Less: Deduction during the year | - | - |
| Closing balance | <u>91,989,900</u> | <u>91,989,900</u> |
| Surplus/(Deficit) in Statement Of Profit And Loss | | |
| Opening balance | (77,977,102) | (85,093,167) |
| Add: Profit during the year | 6,035,358 | 7,116,066 |
| Less: Depreciation adjustment as per Schedule II of the Companies Act, 2013 [Refer Note 17] | (4,836,855) | - |
| Closing Balance | <u>(76,778,599)</u> | <u>(77,977,102)</u> |
| Total Reserves and Surplus | <u>15,211,301</u> | <u>14,012,798</u> |

Note 5 : Current liabilities

| | (Amount in Rs.) | |
|---------------------------------------|-------------------------|-------------------------|
| | As At March 31, 2015 | As At March 31, 2014 |
| Trade Payables | | |
| - Due to Micro and Small Enterprises* | 61,416 | 61,416 |
| - Others | <u>61,416</u> | <u>61,416</u> |
| Other Current Liabilities | | |
| Others Payable: | | |
| - Statutory dues payable | 6,000 | 6,550 |
| - Others | - | 3,250 |
| | <u>6,000</u> | <u>9,800</u> |

*As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 & as certified by the management, there are no amount due as of March 31, 2015 to Micro and Small Enterprises, hence it has not been disclosed in the books of the company (March 31, 2014: Nil). Further no interest during the year have been paid or payable under the terms of MSMED Act 2006.



DAURALA FOODS & BEVERAGES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 6. Fixed Assets

| Particulars | Gross Block (at cost) | | | | Depreciation | | | Net Block | |
|------------------------|-----------------------|-----------|--------------------------|----------------------|----------------|--------------------------|-------------------------|----------------------|----------------------|
| | As at April 1, 2014 | Additions | Other Adjustments | As at March 31, 2015 | For The year | Other Adjustments | Unplanned depreciation* | As at March 31, 2015 | As at March 31, 2014 |
| | | | Sales/ Other Adjustments | | | Sales/ Other Adjustments | | | |
| Tangible Assets | | | | | | | | | |
| Plant and equipment | 32,586,701 | - | - | 32,586,701 | 250,377 | - | 4,836,855 | 2,113,097 | 7,200,329 |
| Furniture and fittings | 1,514,479 | - | - | 1,513,627 | - | - | 1,513,627 | 852 | 852 |
| Total | 34,101,180 | - | - | 34,101,180 | 250,377 | - | 4,035,855 | 2,113,949 | 7,201,181 |
| Previous year | 34,101,180 | - | - | 25,350,779 | 1,549,229 | - | 25,889,999 | 7,201,181 | 8,750,419 |

* Refer Note 17



DAURALA FOODS & BEVERAGES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

| | As At | | (Amount in Rs.) |
|---|----------------|----------------|-------------------------|
| | March 31, 2015 | March 31, 2014 | As At March 31, 2014 |
| Note 7 : Deferred tax assets(net) | | | |
| Deferred Tax Asset | | | |
| Unabsorbed Depreciation | | 24,684 | 2,827,274 |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | | 79,450 | 88,310 |
| Deferred Tax Liability | | | |
| Deferred tax asset/(liability) (net) | | <u>104,314</u> | <u>2,915,584</u> |

| | Long term | | Short term | | (Amount in Rs.) |
|---|-------------------|-------------------|-------------------|----------------|-------------------|
| | As At | As At | As At | As At | |
| | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 | |
| Note 8 : Loans and Advances (Unsecured, Considered Good unless otherwise stated) | | | | | |
| Advances Recoverable in cash or kind or for value to be received | | | | | |
| Inter - Corporate Deposits | | - | 48,000,000 | | 50,413,363 |
| Other Loans and Advances | | | | | |
| MAT Credit Entitlement | 8,430,935 | 6,745,049 | - | - | |
| Advance tax [Net of provisions of Rs 4,042,873 (March 31, 2014: Rs 4,108,854)] | 4,303,227 | 3,721,852 | - | - | |
| Prepaid expenses | - | - | 3,228 | | 2,305 |
| | <u>12,734,162</u> | <u>10,466,901</u> | <u>48,003,228</u> | | <u>50,415,668</u> |

| | As At | | As At | | (Amount in Rs.) |
|---|----------------|----------------|------------------|----------------|------------------|
| | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 | |
| Note 9 : Other Current Assets | | | | | |
| Interest accrued on FDR's | | | 945,241 | | 298,902 |
| Interest accrued on Intercorporate Deposits | | | 1,135,874 | | 1,868,622 |
| | | | <u>2,081,115</u> | | <u>2,167,524</u> |

| | As At | | As At | | (Amount in Rs.) |
|--|----------------|----------------|-------------------|----------------|-------------------|
| | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 | |
| Note 10 : Cash and bank balances | | | | | |
| Cash and Cash Equivalents | | | | | |
| Balances with Banks:- | | | | | |
| On current accounts | | | 2,374,437 | | 3,248,769 |
| Cash on hand | | | 996 | | 318 |
| | | | <u>2,875,433</u> | | <u>3,249,087</u> |
| Other Balances | | | | | |
| Balance with bank | | | | | |
| Deposits with original maturity of more than three months but less than twelve months | | | 22,368,617 | | 12,869,812 |
| | | | <u>25,244,050</u> | | <u>15,918,907</u> |



DAURALA FOODS & BEVERAGES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in Rs.)

| PARTICULARS | YEAR ENDED MARCH 31, 2015 | YEAR ENDED MARCH 31, 2014 |
|-------------|------------------------------|------------------------------|
|-------------|------------------------------|------------------------------|

Note 11 : Other Income

| | | |
|--|------------------|------------------|
| Interest income * | 7,530,707 | 6,919,404 |
| Miscellaneous Income | 2,700 | 6,149 |
| Lease Rent | 1,680,000 | 1,680,000 |
| * [TDS on interest income - Rs. 753,961(March 31, 2014 ; Rs. 691,940)] | <u>8,213,407</u> | <u>8,606,553</u> |

Note 12 : Other Expenses

| | | |
|------------------------------|----------------|----------------|
| Payment to Auditors* | 81,481 | 82,034 |
| Legal & Professional Charges | 16,336 | 12,236 |
| Insurance | 4,687 | 5,817 |
| Rates and taxes | 5,770 | 1,510 |
| Miscellaneous expenses | 8,148 | 5,759 |
| | <u>116,402</u> | <u>107,356</u> |

*** Payment to Auditors**

| | | |
|-------------------|---------------|---------------|
| - Statutory Audit | 44,944 | 44,944 |
| - Tax Audit | 22,472 | 22,472 |
| - Others matters | 14,045 | 14,618 |
| | <u>81,461</u> | <u>82,034</u> |

Note 13 : Earnings Per Share (EPS)

| | | |
|--|-----------|-----------|
| Profit/ (Loss) attributable to the equity shareholders | 6,035,368 | 7,116,066 |
| Number of equity shares outstanding at the end of the year | 7,500,000 | 7,500,000 |
| Nominal value of equity shares (Rs per share) | 10 | 10 |
| Basic/Diluted Earnings per share | 0.80 | 0.95 |

Note 14 : Related Party Disclosure

Related party disclosure, as required by Accounting Standard (AS)-18 "Related Party Disclosures" is given below:-

A. Names of the Related parties and description of relationship*

- Holding Company : DCM Shriram Industries Limited
- Key Managerial Person : Mr. Anil Gujral

B. Transactions with Related Parties **

| | Nature of transaction | Year Ended March 31, 2015 | Year Ended March 31, 2014 |
|----|-----------------------|------------------------------|------------------------------|
| i) | Lease Rent Received | 1,680,000 | 1,680,000 |

* For the purpose of identification of the parties, we have relied upon the certification provided by the management.

** All transaction entered with the holding company



Note 16: Disclosure in respect of asset given on operating lease under Accounting Standard (AS) 19 "Leases":

The company had given its Plant and Equipment on operating lease and had earned an income of Rs. 1,680,000 (March 31, 2014: Rs. 16,80,000) which has been credited to Statement of Profit and Loss. The detail as to future lease rentals is as under:

| Particulars | As at 31 March 2015 | As at 31 March 2014 |
|---|---------------------|---------------------|
| Not later than one year | 840,000 | 1,680,000 |
| Later than one year and not later than five years | - | 840,000 |
| Total | 840,000 | 2,520,000 |

Description of Assets given on lease:

| Assets given on lease | | Plant & Equipment |
|---|--|-------------------|
| Gross Carrying Amount as on March 31, 2015 (A) | | 32,586,701 |
| Accumulated Depreciation as on March 31, 2015 (B) | | 30,473,604 |
| Depreciation for the year (C) | | 250,377 |
| Written Down Value as on March 31, 2015 [D=A-B] | | 2,113,097 |

Details of Leasing Agreement is enumerated below

| Property given on lease | Plant & Equipment |
|------------------------------|-------------------|
| Date of termination of lease | 30.09.2015 |
| Escalation clause | No |
| Terms of Renewal | Yes |
| Purchase option | No |

Note 16:

The Company is in the business of Liquor, but has discontinued its production temporarily w.e.f. 01st April 2007. The Company has given its Plant and Equipment on Lease. Since the Company is operating in single line of product and there being no reportable segment, the requirements of Accounting Standard 17 on 'Segment Reporting' are not applicable to the company.

Note 17:

As per Note No.7 of Part "C" of the Schedule II to the Companies Act, 2013 the carrying amount of the assets as at April 1, 2014 has been depreciated as follows:

a) Carrying value of asset has been depreciated over the remaining useful life of assets and recognised in the Statement of Profit & Loss.

b) In case where the remaining useful life of an asset is nil the carrying amount of the assets after retaining the residual value has been recognised in the opening balance of retained earnings.

The Company has w.e.f. 1st April 2014, computed depreciation in accordance with the useful life of the Fixed Assets as per schedule II of the Companies Act, 2013. Consequently Depreciation charged for the year is lower by Rs. 1,288,051 and carrying value of the assets amounting to Rs. 4,836,855 after retaining the residual value, whose remaining useful life is nil has been adjusted from the opening balance of Retained Earnings.

Note 18:

In view of the management, the current assets, loans and advances and other assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at March 31, 2015.

Note 19:

Figures are rounded off to the nearest rupee.

Note 20:

Previous year figures have been regrouped, rearranged and reclassified wherever necessary.

For and on behalf of Board of Directors

(ANIL GUJRAL)
JT. MANAGING DIRECTOR
DIN 00374282

(A. THOMAS)
DIRECTOR
DIN 07017889

(PANKAJ BANSAL)
COMPANY SECRETARY

PLACE: NEW DELHI

DATE: 22 MAY 2015

