

# DCM SHRIRAM

DCM SHRIRAM INDUSTRIES LTD.

*Annual Report 2022-23*



# DCM SHRIRAM INDUSTRIES LIMITED

<b>Board of Directors</b>	Shri S.B. Mathur	Chairman – Non Executive
	Shri Alok B. Shriram	Sr. Managing Director & CEO
	Shri Madhav B. Shriram	Managing Director
	Mrs. Urvashi Tilakdhar	Whole Time Director
	Shri Vineet Manaktala	Director Finance & CFO
	Shri P.R. Khanna	
	Shri Ravinder Narain	
	Shri S.C. Kumar	
	Smt. V. Kavitha Dutt	
	Shri Sanjay C. Kirloskar	
	Shri Manoj Kumar	
	Smt Mini Ipe	LIC Nominee

<b>Principal Executives</b>	Shri V.K. Jaitly	Chief Executive Officer (Business Group Rayons)
	Shri Sanjay Rastogi	President – (Business Group Sugar)
	Shri Girish Yagnik	Gr. Sr. Vice President (Business Group Chemicals)

<b>Company Secretary</b>	Shri Y.D. Gupta	Vice President (Law & Taxation)
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<b>Bankers</b>	State Bank of India
	Punjab National Bank
	Axis Bank Ltd.
	HDFC Bank Ltd.
	Moradabad Zila Sahkari Bank Ltd.

<b>Auditors</b>	B S R & Co., LLP
	Gurugram

<b>Registered Office</b>	Kanchenjunga Building, 5th Floor, 18, Barakhamba Road, New Delhi - 110 001	CIN : L74899DL1989PLC035140 Tel. No. : (011) 43745000 E-mail : dsil@dcmsr.com Website : <a href="https://www.dcmsr.com">https://www.dcmsr.com</a>
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# DCM SHRIRAM INDUSTRIES LIMITED

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

CIN: L74899DL1989PLC035140 Telephone :011- 43745000

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

## NOTICE

The 32nd Annual General Meeting of the Company will be held on Saturday, the 12th August, 2023 at 11:00 A.M. through Video Conference (VC) / Other Audio Visual Means (OAVM), to transact the following businesses:

### Ordinary Business:

#### 1. To consider and adopt:

- The Audited Financial Statements of the Company for the Financial Year ended March 31, 2023 and the Reports of the Board of Directors and Auditors thereon, and
- The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 and the Report of the Auditors thereon.

#### 2. To confirm the payment of interim dividend of Re.1 per equity share of Rs.2 each (50%) already paid during the financial year 2022-23.

#### 3. Appointment of director liable to retire by rotation:

To appoint a director in place of Shri Madhav B. Shriram (DIN: 00203521), who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business:

#### 4. Cost Auditors – Ratification of Remuneration:

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) of the Companies Act, 2013, read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration of Rs. 1.92 lakh plus GST and out of pocket expenses, if any, fixed by the Board of Directors, on recommendation of the Audit Committee, for audit of the cost records of the Company by M/s Ramanath Iyer & Co., (Firm Regn. No.13848) for the year 2023-24, be and is hereby ratified and confirmed."

#### 5. Reappointment of Mr. Sanjay C. Kirloskar, Independent Director :

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

"RESOLVED THAT, pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the said Act and relevant Regulation(s) of the SEBI (LODR) Regulations, 2015, the proposal to reappoint Shri Sanjay C. Kirloskar (holding DIN 00007885), an Independent Director on the Board of the Company, whose current term expires on 31.08.2023 and who has given his consent to continue to be an Independent Director on the Board of the Company, if appointed, as an Independent Director for another term of five consecutive years with effect from 01.09.2023, be and is hereby approved."

#### 6. Reappointment of Shri Alok B. Shriram, Sr. Managing Director & CEO:

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



“RESOLVED THAT pursuant to Sections 196, 197, 198, 203 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, (DIN: 00203808) Senior Managing Director & CEO, whose present term of office expires on 30.09.2023, for a further period of 5 years w.e.f. 01.10.2023 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.”

**7. Reappointment of Shri Madhav B. Shriram, Managing Director :**

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

“RESOLVED THAT pursuant to 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, (DIN: 00203521) Managing Director, whose term of office expires on 30.09.2023, for a period of 5 years w.e.f. 01.10.2023 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 & Vice President  
(Law & Taxation)  
FCS 3405

New Delhi,  
May 25, 2023



# DCM SHRIRAM INDUSTRIES LIMITED

## NOTES:

1. Explanatory Statement, as required under Section 102 of the Companies Act, 2013, is annexed.
2. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, the 2<sup>nd</sup> August, 2023 to Saturday, the 12<sup>th</sup> August, 2023** (both days inclusive) for the purpose of the AGM.
3. In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (IEPF) the Company has transferred the unclaimed dividends in respect of the Financial Year 2014-15 to the IEPF in November, 2022. The details are available on the website of the Company i.e. <https://www.dcmsr.com>.

The shares in respect of which dividend has not been claimed for seven consecutive years or more are also required to be transferred to the IEPF following the prescribed procedure. The Company had in compliance with the said Rules transferred 154940 equity shares held by 2255 shareholders to IEPF in the month of November, 2022. The shares and dividend so transferred can be claimed from the IEPF after complying with the prescribed requirements. As per the Rules, the holders of such shares cannot exercise any of the rights attached to the shares unless the shares are reclaimed from the IEPF. The details of the dividend/ shares transferred to IEPF will be uploaded on the above Company website after such transfer.

The shareholders, who have not encashed their dividend for the previous year(s) may contact the Company or Registrar & Transfer Agents for claiming the unpaid dividend.

The unclaimed dividend for the financial year 2015-16 declared on August 10, 2016 along with the shares are due to be transferred to the IEPF by 08<sup>th</sup> September, 2023. The same can, however, be claimed by the Members by 05<sup>th</sup> September, 2023. The details of such unclaimed dividend and shares to be transferred are available on the Company's Website, [www.dcmsr.com](http://www.dcmsr.com). Individual notice will be sent to those shareholders, whose shares are liable to transfer to IEPF.

4. Shareholders who hold shares in physical form may note that SEBI has made it mandatory for the persons holding securities in physical form to furnish PAN, email, postal address, mobile number, signature, bank account details and nomination details. On or after 1<sup>st</sup> October, 2023, in case any one of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at <https://dcmsr.com/circular-to-shareholders/#circular-to-shareholders> and at KFIN's website <https://ris.kfintech.com/clientservices/isc/default.aspx>. Members holding shares in physical form are requested to submit their aforesaid details, if not already furnished to the Registrar and Share Transfer Agent viz. KFin Technologies Ltd.
5. As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, (the "SEBI Listing Regulations") as amended, securities of listed companies can be transferred only in dematerialized form.

SEBI has mandated the listed companies that all service requests for issue of duplicate share certificates, claim from unclaimed share suspense account, renewal/ exchange of share certificates, endorsement, subdivision/ splitting/consolidation of certificates, transmission and transposition should be processed in dematerialized form only. A Letter of Confirmation (LoC) will be issued by the RTA on replacement of old/ mutilated/ lost share certificates and transmission case based on which the shareholders can get credit of the shares into his/ her demat account. The necessary forms for the above request are available on the website of the Company i.e. <https://dcmsr.com/circular-to-shareholders/#circular-to-shareholders>

In view of the above guidelines and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form.



6. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN, if not already furnished, to their Depository Participants with whom they are maintaining their demat accounts.
7. The information with regard to Shri Madhav B. Shiram, whose reappointment as a director liable to retire by rotation, comes up in the AGM for approval, given in Note 26 hereunder, forms an integral part of this Notice.
8. In view of the need for continued vigilance about Covid-19, the Central Government by Circular dated 28.12.2022 has allowed general meetings to be held through Video Conference/ Other Audio Visual Means by following procedures laid down in the circulars Circular No.14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020. The above provision has been extended till 30.09.2023 (collectively referred to as "MCA Circulars") Accordingly, this meeting is convened as e-AGM, to be held through Video Conference.
9. **E-AGM:** The Company has appointed M/s KFin Technologies Limited ("KFIN"), Registrar and Transfer Agents of the Company, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
10. Pursuant to the provisions of the MCA Circulars regarding holding e-AGM through VC/ OAVM:
  - a. Members can attend the meeting through login credentials provided to them to connect to Video Conference. Physical attendance of the Members at the Meeting venue is not required.
  - b. Since the AGM is being held through VC, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by Members is not available and as such the Proxy Form and Attendance Slip are not annexed to this Notice.
  - c. Pursuant to the provisions of Sections 112 and 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-voting or for participation and e-voting through Instapoll during the AGM. Corporate Members intending to authorize their representatives to attend the AGM are requested to email the same to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) or [investorservices@dcmsr.com](mailto:investorservices@dcmsr.com), along with certified true copy of the latest Board Resolution or Power of Attorney, authorizing their representative to participate and vote at the AGM, on their behalf.
11. The Members can join the e-AGM 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
12. Up to 2500 members will be able to join the e-AGM on a FIFO basis.
13. No restrictions on account of FIFO entry into e-AGM will be there for large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
14. The attendance of the Members (members login) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
15. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through e-Voting agency, M/s KFin Technologies Limited.
16. **Voting at the e-AGM:** Members who could not vote through remote e-voting may avail the e-voting system through 'instapoll' provided at the Video Conference by M/s KFin Technologies Ltd.



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17. In line with the MCA Circulars, the Notice calling the AGM and the Annual Report for the financial year 2022-23 have been uploaded on the website of the Company at <https://dcmsr.com/financial-results-annual-reports/#financial-results> . The Notice can also be accessed from the websites of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and is also available on the website of e-voting agency M/s KFin Technologies Limited at their website address (<https://evoting.kfintech.com/public/Downloads.aspx>).

**18. Procedure for obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories (in case of shareholders holding shares in Demat form) or with RTA (in case the shareholders holding shares in physical form):**

The Company has sent the Annual Report, Notice of e-AGM and e-Voting instructions only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

1. Those shareholders who have registered / not registered their e-mail address and mobile nos. including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with the Company's Registrar and Share Transfer Agent, KFin Technologies Ltd. in case the shares are held in physical form.
2. Shareholders who have not registered their email address and in consequence the Annual Report, Notice of e-AGM and e-voting notice could not be served, may temporarily get their email address and mobile number registered with the Company's Registrar and Share Transfer Agent, KFin Technologies Limited, by complying with the following procedure:
  - (i) Visit the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>
  - (ii) Select the company name: DCM Shriram Industries Limited
  - (iii) Enter DPID Client ID (in case shares are held in electronic form) / Physical Folio No. (in case shares are held in physical form) and Permanent Account Number (PAN).
  - (iv) In case shares are held in physical form, if PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
  - (v) Enter the email address and mobile number.
  - (vi) System will check the authenticity of the DPID Client ID / Physical Folio No. and PAN/ Certificate No., as the case may be and send the OTPs to the said mobile number and email address, for validation.
  - (vii) Enter the OTPs received by SMS and Email to complete the validation process. (Please note that the OTPs will be valid for 5 minutes only).
  - (viii) In case the shares are held in physical form and PAN is not available, the system will prompt you to upload the self-attested copy of your PAN.
  - (ix) System will confirm the email address for the limited purpose of serving the Notice of the AGM, the Annual Report of the Company for the financial year 2022-23 and the e-voting instructions along with the User ID and Password.

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



the AGM, the Annual Report of the Company for the financial year 2022-23 and the e-voting instructions along with the User ID and Password, through electronic mode.

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

In case of any queries, in this regard, Members are requested to write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or [evoting@kfintech.com](mailto:evoting@kfintech.com) or contact KFIN at toll free number: 1800 309 4001.

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

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

1. Members holding shares either in physical form or in electronic form, as on the cut-off date i.e. **Tuesday, 01<sup>st</sup> August, 2023** can attend the AGM through VC, by following the instructions, as mentioned below:

- (i) Click on the following URL: <https://emeetings.kfintech.com>
- (ii) For attending the AGM all the shareholders (including the individual shareholders holding shares in Demat Mode) need to use the remote e-voting login credentials as provided by Kfintech/Company.
- (iii) The remote e-voting credentials will either be received through email from the Company/ Kfintech or can be retrieved by following the procedure as mentioned in Note No. 20 (II)
  - (i) After logging in, click on "Video Conference" option.
  - (ii) Then click on camera icon appearing against AGM event of Company to attend the AGM.

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

2. **Speaker Registration during e-AGM session:** Members who wish to ask questions during the AGM, can register themselves as a 'Speaker' by logging into <https://emeetings.kfintech.com/> and clicking on "Speaker Registration" by mentioning the demat account number / folio number, city, email address, mobile number and submit. The speaker registration shall commence from Monday, 07<sup>th</sup> August, 2023 at 9.00 a.m. and shall close on Thursday, 10<sup>th</sup> August, 2023 at 5.00 p.m.

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

3. **AGM questions prior to e-AGM:** Members who wish to post their queries may log into <https://emeetings.kfintech.com> and click on "Post your Questions" and may post their queries/views/questions in the window provided by mentioning the name, demat account number/ folio number, email id, mobile number. The posting of the questions by the shareholders/members shall commence from Monday, 07<sup>th</sup> August, 2023 at 9.00 a.m. and shall close on Thursday, 10<sup>th</sup> August, 2023 at 5.00 p.m.
4. Members can participate at the AGM through desktop/phone/laptop/tablet. However, for better experience and smooth participation, it is advisable to use Google Chrome, through Laptops connected through broadband, for the said purpose.
5. Further Members will be required to allow camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network.





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It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. In case Members have any queries or need any assistance on e-voting/participation at the AGM/ Speaker Registration process or for posting queries, may please write to KFIN at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) or [investorservices@dcmsr.com](mailto:investorservices@dcmsr.com). They may contact KFIN at toll free number: 1800 309 4001.
8. Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the speaker registration during the e-AGM.

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

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

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

**The voting through electronic means will commence on Tuesday, 08<sup>th</sup> August, 2023 at 9.00 A.M. and will end on Friday, 11<sup>th</sup> August, 2023 at 5.00 P.M.**

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

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

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

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

1. Users already registered for IDeAS e-Services facility of NSDL may follow the following procedure:
  - i. Type in the browser / Click on the following e-Services link: <https://eservices.nsdl.com>
  - ii. Click on the button "Beneficial Owner" available for login under 'IDeAS' section.
  - iii. A new page will open. Enter your User ID and Password for accessing IDeAS.
  - iv. On successful authentication, you will enter your IDeAS service login. Click on "Access to e-Voting" under Value Added Services on the panel available on the left hand side.
  - v. Click on the e-Voting link available against Company name or select e-Voting service provider "KFintech" and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication.

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

- i. To register, type in the browser / Click on the following link: <https://eservices.nsdl.com>
  - ii. Select option "Register Online for IDeAS" available on the left hand side of the page.
  - iii. Proceed to complete registration using your DP ID, Client ID and Mobile Number etc.
  - iv. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.
2. Users may directly access the e-Voting module of NSDL as per the following procedure:
  - i. Type in the browser/Click on the following link: <https://www.evoting.nsdl.com>

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- ii. Click on the button "Login" available under "Shareholder/ Member" section.
- iii. On the login page, enter User ID (that is, 16-character demat account number held with NSDL, starting with IN), Login Type, that is, through typing Password (in case you are registered on NSDL's e-voting platform)/ through generation of OTP (in case your mobile/e-mail address is registered in your demat account) and Verification Code as shown on the screen.
- iv. On successful authentication, you will enter the e-Voting module of NSDL. Click on "Active E-voting Cycles / VC or OAVMs" option under e-Voting. Click on the e-Voting link available against Company name or select e-Voting service provider "KFintech" and you will be re-directed to the e-Voting page of "KFintech" to cast your vote without any further authentication.

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

1. Users already registered for Easi / Easiest facility of CDSL may follow the following procedure:
  - i. Type in the browser / Click on any of the following links <https://web.cdslindia.com/myeasinew/home/login/> or <https://www.cdslindia.com> and click on New System Myeasi / Login to My Easi option under Quick Login.
  - ii. Enter your User ID and Password for accessing Easi / Easiest.
  - iii. You will see Company name on the next screen.
  - iv. Click on the e-Voting link available against Company name or select e-Voting service provider "Kfintech or Karvy" and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication.

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

- i. To register, type in the browser / Click on the following link:  
<https://web.cdslindia.com/myeasinew/Registration/EasiRegistration>
  - ii. Proceed to complete registration using your DP ID Client ID (BO ID), etc.
  - iii. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.
2. Users may directly access the e-Voting module of CDSL as per the following procedure:
    - i. Type in the browser / Click on the following links: <https://evoting.cdslindia.com/Evoting/EvotingLogin>
    - ii. Provide Demat Account Number and PAN
    - iii. System will authenticate user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account.
    - iv. On successful authentication, you will enter the e-voting module of CDSL. Click on the e-Voting link available against Company name or select e-Voting service provider "Kfintech or Karvy" and you will be re-directed to the e-Voting page of KFintech.

**C. Individual Members holding shares in Demat mode - Procedure to login through their demat accounts / Website of Depository Participant:**

- i. Individual Members holding shares of the Company in Demat mode can access e-Voting facility provided by the Company using login credentials of their demat accounts (online accounts) through their demat accounts / websites of Depository Participants registered with NSDL/CDSL.
- ii. An option for "e-Voting" will be available once they have successfully logged-in through their respective logins.



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- iii. Click on the option “e-Voting” and they will be redirected to e-Voting modules of NSDL/ CDSL (as may be applicable). Click on the e-Voting link available against Company name or select e-Voting service provider “KFintech” and you will be redirected to the e-Voting page of KFintech to cast your vote without any further authentication.

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

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

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 22 44 30 or call at 022 - 4886 7000 and 022 - 2499 7000
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact 022-23058738 or 022- 23058542 or at toll free no. 1800 22 55 33.

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

- A. In case a shareholder receives an e-mail from the Company / KFintech [for Members whose e-mail address is registered with the Company / Depository Participant(s)] which include the details of E-Voting Event Number (“EVEN”), USER ID and Password. Kindly follow the following steps:
  - i. Launch internet browser by typing the URL: <https://evoting.kfintech.com>
  - ii. Enter the login credentials (i.e., User ID and Password) as mentioned in the email. However, if you are already registered with KFintech for e-Voting, you must use the existing User ID and password for logging-in.
  - iii. In case of physical folio, User ID will be EVEN followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID.

If required, please visit <https://evoting.kfintech.com> or contact toll-free number 1800-309-4001 (from 9:00 a.m. to 6:00 p.m. on all working days) for assistance on your existing password. Members who forgotten the password are advised to use “Forgot Password” options available on the website.
  - iv. After entering these details appropriately, click on “LOGIN”.
  - v. You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging-in for the first time. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - vi. You need to login again with the new credentials.
  - vii. On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for DCM Shriram Industries Limited.
  - viii. On the voting page, enter the number of shares as on the Cut-off Date under either “FOR” or “AGAINST” or alternatively, you may partially enter any number under “FOR” / “AGAINST”.



but the total number under “FOR” / “AGAINST” taken together should not exceed your total shareholding as on the Cut-off Date. You may also choose to “ABSTAIN” and vote will not be counted under either head.

- ix. Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- x. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as “ABSTAINED”.
- xi. You may then cast your vote by selecting an appropriate option and click on “SUBMIT”.
- xii. A confirmation box will be displayed. Click “OK” to confirm, else “CANCEL” to modify.
- xiii. Once you confirm, you will not be allowed to modify your vote.
- xiv. Corporate / Institutional Members (i.e., other than Individuals, HUF, NRI etc.,) are required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc. as mentioned in the notes of this Notice.

B. In case whose email address is not registered with the Company / Depository Participants, kindly follow the instruction in Note No. 18 to the Notice.

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

- i. If the mobile number of the Member is registered against Folio No./DP ID Client ID, the Member may send SMS:  
MYEPWD<Space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399.
  1. Example for NSDL: MYEPWD<SPACE> XXXXIN12345612345678
  2. Example for CDSL: MYEPWD<SPACE> XXXX1402345612345678
  3. Example for Physical: MYEPWD<SPACE> XXXX1234567890
- ii. If e-mail address and mobile number of the Member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.kfintech.com/> the Member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. Member may call on KFintech’s toll-free number 1800-309-4001 [from 9:00 A.M. (IST) to 6:00 P.M. (IST) on all working days].
- iv. Member may send an e-mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com) after due verification of the request, User ID and password will be sent to the Member.
- v. If the Member is already registered with KFintech’s e-voting platform, then he/she/it can use his/her/its existing password for logging-in.

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

Commencement of remote e-voting : Tuesday, **08th August, 2023(9:00 A.M.)**  
End of remote e-voting : Friday, **11th August, 2023 (5:00 P.M.)**

During this period, only those persons whose names appears in the Register of Members or in the Register of beneficial owners maintained by the Depositories, as on the cut-off date i.e. **Tuesday, 01st August, 2023**, shall be entitled to cast their vote through remote e-voting. The remote e-voting facility shall be forthwith disabled by KFIN after expiry of the said period.

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



## DCM SHRIRAM INDUSTRIES LIMITED

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

Mr. Rajkumar Kale, Corporate Registry  
KFin Technologies Limited  
"Selenium Tower-B", Plot No. 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally, Hyderabad - 500032, Telangana.  
Toll-free No.: 1800 309 4001  
Email: einward.ris@kfintech.com

### **Voting at the e-AGM:**

- i. Members who could not vote through remote e-Voting may avail the e-Voting system provided at the e-AGM ("Insta Poll") by KFin Technologies Limited.
  - ii. Only those Members/ Shareholders who will be present in the e-AGM through Video Conferencing facility and who have not cast their vote through remote e-Voting are eligible to vote through Insta Poll.
  - iii. Members who have voted through remote e-Voting will be eligible to attend the e-AGM, however, will not be eligible to vote at the meeting.
  - iv. Insta Poll Instructions: The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the Chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the "Insta Poll" page.
  - v. Members to click on the "Insta Poll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
  - vi. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the e-AGM shall be the same person mentioned for remote e-voting.
21. Shri Swaran Kumar Jain (C.P.No.4906), Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc to the Scrutinizer through email to [swaran234@hotmail.com](mailto:swaran234@hotmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com), not later than 48 hours before the scheduled time of the commencement of the Meeting.
22. The Scrutinizer shall immediately after conclusion of the e-AGM, unblock the votes cast through remote e-voting / e-voting through instapoll during the AGM in the presence of at least two (2) witnesses, not in the employment of the Company and make, not later than 2 days of conclusion of the meeting, the Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the Report to the Chairman or a person authorized by him in writing, who shall counter-sign the report and declare the results forthwith.
23. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website "<https://www.dcmsr.com>" and on the website of KFin Technologies Ltd. i.e. <https://evoting.kfintech.com> within two working days of the conclusion of the meeting. The said Results will also be displayed at the Registered and Corporate Offices of the Company, in accordance with the Secretarial Standards-2 on General Meetings, issued by the Institute of Company Secretaries of India.
24. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. We propose to send all future communications in electronic mode to the email address provided by you. Members who have not registered their email IDs are requested to intimate their email ID to the Company's Registrars, viz. KFin Technologies Ltd. (Email ID: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)) or their depository participants.
25. **KPRISM – Mobile Service application by KFin Technologies Ltd:** Members are requested to note that, Registrar and Share Transfer Agents, M/s. KFin Technologies Limited have launched a new mobile



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application – KPRISM and website <https://kprism.kfintech.com/> for online service to shareholders.

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

26. **Profile of the Director retiring by rotation (Item no.3):** Shri Madhav B. Shriram, (DIN: 00203521), was reappointed on the Board as a Director liable to retire by rotation at the AGM held on 02.09.2020. Shri Madhav B. Shriram, aged 58 years, has 35 years of experience in various management positions. He has done his graduation from Shriram College of Commerce, and MBA from University of Massachusetts, Amherst, USA. He is presently the Managing Director of the Company and is looking after the Sugar and Alcohol Division.

Shri Madhav B. Shriram is a Member of the Governing Board of Indian Sugar Mills Association and was a past Chairman of CII, Delhi State. He is Director on the Board of Lily Commercial Pvt. Limited and HR Travels Pvt. Limited, promoter group investment companies.

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

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

He is related to Shri Alok B. Shriram, Sr. Managing Director & CEO. No other director or key managerial personnel of the Company or their relative(s) is interested financially or otherwise in the resolution.

27. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 and relevant document referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [investorservices@dcmsr.com](mailto:investorservices@dcmsr.com)
28. Since the AGM is being held through VC, the route map for the AGM venue, is not attached.
29. Members may contact the Company or KFIN for Conveying grievances, if any, relating to the conduct of the AGM, at the following address:

DCM Shriram Industries Limited  
'Investor Service Section'  
5th Floor, Kanchenjunga Building,  
18, Barakhamba Road,  
New Delhi – 110001  
E-mail ID – [investorservices@dcmsr.com](mailto:investorservices@dcmsr.com)  
Tel: 011-43745075

**Contact Persons:**

Sh. G S Nair      Sh. Y.D. Gupta  
Vice President      Company Secretary

KFIN Technologies Ltd.  
Unit: DCM Shriram Industries Limited  
Selenium Tower B, Plot 31-32  
Financial District, Nanakramguda,  
Serilingampally, Mandal,  
Hyderabad, Telangana – 500 032,  
Phone 040-67162222/ 1800 3094 001  
Email ID: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**Contact Person:**

Shri Raj Kumar Kale  
Assistant Vice President (RIS)



# DCM SHRIRAM INDUSTRIES LIMITED

## Annexure

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

#### Item No.4

The Board of Directors in its meeting held on 25.05.2023 appointed M/s. Ramanath Iyer & Co., Cost Auditors (Regn. No.13848), 808, Pearls Business Park, Netaji Subhash Place, Delhi – 110034 as Cost Auditors of the Company for the year 2023-24 at a remuneration of Rs.1.92 lakh plus GST and out of pocket expenses as may be applicable, on the recommendation of the Audit Committee, pursuant to Section 148 of the Companies Act, 2013.

The above remuneration of the Cost Auditors, fixed by the Board for the financial year 2023-24 on the recommendation of the Audit Committee, is for ratification and confirmation by the shareholders as required under Rule 14 of the Companies (Audit & Auditors) Rules, 2014.

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

#### Item No.5

The Nomination and Remuneration Committee in its meeting held on 25.05.2023 proposed to the Board to recommend reappointment of Shri Sanjay Chandrakant Kirloskar as an Independent Director for another term of 5 years w.e.f. 01.09.2023, to the shareholders in the ensuing Annual General Meeting, considering his contribution during the present term. The Board in its meeting held on 25.05.2023 decided to recommend reappointment of Shri Sanjay C. Kirloskar as an Independent Director for a further term of 5 years from 01.09.2023 to the shareholders.

Shri Sanjay C. Kirloskar, 65 years of age, is the Chairman and Managing Director of Kirloskar Brothers Limited. Sanjay C. Kirloskar is a fourth-generation industrialist. He graduated with a Bachelor of Science degree in Mechanical Engineering from the Illinois Institute of Technology, Chicago USA in 1978. Sanjay Kirloskar is the Chairman of the Advisory Council of Savitribai Phule Pune University and a member of the board of management of Gokhale Institute of Politics and Economics. He has served on the Board of Trade, Government of India, and as Vice President of the Governing Council of the Central Manufacturing Institute. He is associated with Symbiosis and various other educational institutions. Earlier he has served as President of All India Management Association, Chairman CII Western Region and Vice President of Maharashtra Chamber of Commerce Industry and Agriculture.

Shri Sanjay C. Kirloskar has furnished a declaration of independence u/s 149(6) and also consent to act as a director u/s 152(5) of the Act. His other directorships in listed companies are as under:

S. No.	Name of the Company	Category of directorship	Name of Committees	Member/ Chairperson
1	Kirloskar Brothers Ltd	Chairman and Managing Director	Stakeholders Relationship Committee	Member
			Nomination & Remuneration Committee	Member
			CSR Committee	Member
2	KPT Industries Ltd	Director	Audit Committee	Member



He is not holding any shares in the Company. He has not resigned from any listed entity in past 3 years.

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

Considering the skills and contributions of Shri Sanjay C. Kirloskar during his present tenure, the directors recommend the resolution for approval of the shareholders.

Except Shri Sanjay C. Kirloskar, being the appointee, none of the other directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.5. He is not related to any of the other directors.

**Item Nos.6 and 7**

- A. Shri Alok B. Shriram, presently Sr. Managing Director & CEO of the Company, was reappointed for a term of 5 years w.e.f. 01.10.2018. Shri Alok B. Shriram is looking after the Rayons and Engineering Projects Divisions of the Company apart from the Corporate Office functions. 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 01.10.2023 considering his performance, on the existing terms and conditions, given in the statement below, subject to the approval of the shareholders.
- B. Shri Madhav B. Shriram, presently Managing Director, was reappointed for a term of 5 years w.e.f.01.10.2018. Shri Madhav B. Shriram is looking after the Sugar & Alcohol Division of the Company. The Board of Directors, on recommendation of the Nomination & Remuneration Committee has reappointed Shri Madhav B. Shriram, Managing Director, whose current term of office expire on 30.09.2023, for a further period of 5 years w.e.f. 01.10.2023, considering his performance, on the existing terms and conditions, given in the statement below, subject to the approval of the shareholders.

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

Particulars	Shri Alok B. Shriram (Sr. MD & CEO)	Shri Madhav B. Shriram (MD)
Salary (Rs. Lakh/ per month)	5.90	5.80
Housing	Company maintained furnished accommodation or 50% of salary as HRA	Company maintained furnished accommodation or 50% of salary as HRA
Gas, Water, Electricity, Furniture, Furnishings and house maintenance	Actual	Actual
Medical expenses for self and family	Actual	Actual
P.A. Insurance	As Per Company Rules (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.)
PF, Gratuity & Superannuation	APCR	APCR
Club Fees (Admission/ life membership fee not allowed)	2 Clubs	2 Clubs
Commission on profit * (including remuneration)	Not exceeding 3% of the net profit as per Section 198 of the Co(s) Act, 2013, to be decided by the Board.	Not exceeding 3% of the net profit as per Section 198 of the Co(s) Act, 2013, to be decided by the Board.






## DCM SHRIRAM INDUSTRIES LIMITED

Age	62	58
Qualification	B.Com.(Hons)	B.Com.(Hons), MBA
Experience	43 years	35 years
Other Directorships	- Shriram Midivisana Engg. Pvt. Ltd. - Lily Commercial P. Ltd. - DCM Shriram International Ltd. - Synergy Envirionics Ltd.	- Lily Commercial Pvt. Ltd. - HR Travels Pvt. Ltd.
Shareholding in the Company (Equity/Rs.2each)	0	0

\* 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 during 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 contribution 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.6) and Shri Madhav B. Shriram (Res.No.7), who are related, none of the directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolutions.



# DIRECTORS' REPORT



The Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of your Company for the year ended 31<sup>st</sup> March 2023 together with the Reports of the Auditors and the Board of Directors thereon.

## Economic scenario

As the pandemic receded a war broke out in Europe in February 2022. As a result, prices of food, fuel and fertilizer rose sharply due to the impact on supply chains. Inflation rates accelerated, central banks of advanced countries struggled to respond with monetary policy tightening to address the situation. In the second half of 2022, commodity prices, which had peaked, declined giving relief from the acute pressure situation. As 2023 rolled in, China, which has a huge influence on world economy, opened up swiftly reversing its zero covid policy. These augured well for the world economy. However, an earthquake of severe magnitude struck Turkiye and Syria on 6<sup>th</sup> February, 2023 inflicting unimaginable devastation and misery on those two countries particularly on Turkey. Over 50,000 people lost their lives. This also had an adverse impact on the economy which was in the path of recovery. The comity of nations stepped in, in unison to extend relief to the affected people.

Despite the adversities, India has stood out as a beacon of hope for the world. Buoyancy in GST and other revenue streams are indicators of a robust recovery in most of the sectors. Emphasis given to capital expenditure in the previous budgets have started yielding results.

The year was special for India, which celebrated 75<sup>th</sup> year of its Independence. The Country became the world's 5<sup>th</sup> largest economy measured in Dollars. In fiscal year 2023 India has seen growth at 7%, making it the fastest growing large economy. India achieved a GDP growth of 6.9% in the year 2022-23 as per World Bank, slightly lower than the projections. The momentum is encouraging.

It is another jewel in the crown of the Country that it has been named the President of the G-20 nations. The Group represents 75% of the world GDP and 66% of the world population. The Country has an enormous responsibility and stellar role in channelizing the members of the Group to address issues facing the world particularly that of climate change, health and world peace.

MSMEs and startups are a thrust area for the governments at Central and State levels. The potential of the sector to generate employment and to contribute to GDP is extremely high. The level of digitalization achieved by the Country, particularly in monetary transactions, is a matter of envy for any of the so-called developed countries.

In this year India attained one more distinction as it has become the most populous country in the world, overtaking China. 68% of the population, according to reports comprises of working group of 15-64 years. While higher population can be a constraint factor on resources it can also be a blessing in disguise if channelized appropriately to contribute to the growth story.

It is a matter of satisfaction that despite the slowdown post covid, geopolitical conflicts and the devastating earthquake in Turkey and Syria, the Company maintained its performance at satisfactory levels.

## Financial Summary

The Company achieved a turnover of Rs.2367 cr against Rs.2146 cr. in the previous year. The gross profit at Rs.126.19 cr against is in line with the previous year's Rs.124.75 cr. Net profit was Rs.60.26 cr compared to Rs.65.74 cr. in the previous year.

## Appropriation and Dividend

The Board of Directors had recommended an interim dividend of Re.1.00 (50%) per equity share of Rs.2 for the year 2022-23 in the Board meeting held on 14.02.2023, which was paid in March 2023. Interest rates are going up and the economy may decelerate. Considering this, need for conserving resources for debt servicing and possible expansion / modernization of operations, as a conservative measure, the Board of Directors did not recommend any final dividend for the year.

The closing balance of the retained earnings of the Company, after accounting for the interim dividend for the year 2022-23, amounting to Rs.498.97 cr, was carried forward in the P & L Account which includes the net profit of Rs. 60.26 cr. for the year 2022-23. The Dividend Distribution Policy of the Company as approved by the Board is available on the Company's website at the following web link: <https://dcmsr.com/wp-content/uploads/2022/08/Dividend-Distribution-Policy.pdf>



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# DIRECTORS' REPORT (continued)

## Auditors' Report

There are no qualifications, reservation, or adverse remarks or disclaimer in the Auditors' Reports to the Members on the Annual Financial Statements for the year ended on 31.03.2023.

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

## Secretarial Audit Report

M/s. Chandrasekaran Associates, Company Secretaries, carried out the Secretarial Audit for the year 2022-23 pursuant to Section 204 of the Companies Act, 2013. A copy of their Report in Form MR-3 as per Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure – 1**. There is no qualification in the Report.

## THE STATE OF COMPANY'S AFFAIRS

### Sugar

The global sugar market attained a consumption volume of about 178.52 million tons in 2022. The market is expected to reach 189.50 million tons by 2028, at a growth rate (CAGR) of 1% during 2023-28. Currently, with the abatement of Covid, the food and beverages sector has again become major driver of sugar consumption and is expected to create a positive impact on global sugar Industry.

Although the sugar market remains saturated in developed economies, such as North America and Western Europe, it is showing promising growth in the emerging regions. Driven by rising disposable income, urbanization, and changing food habits the demand for sugar-based products in developing markets such as India, China and Middle East is showing strong growth.

As per the latest estimates India is expected to produce 33 million tons of sugar in the current season (October 2022 – September 2023) after accounting for reduction of 4.0 million tons of sugar diverted towards ethanol, as against 27.5 million tons of estimated domestic consumption of sugar.

As a measure to balance the price stability of sugar in the Country and the financial position of sugar mills, Government of India has allowed export of 6 million tones Sugar in the season (October 22- September 23) against 11 million tons in the previous season. In the Sugar Export Policy for Sugar Season 2022-23 Government has announced sugar mill-wise export quota for all sugar mills in the Country, based on average production of sugar mills in last three years and average production of sugar in the Country in last three years.

By allowing sugar exports, Government has protected the interest of cane farmers and sugar mills, since mills will be able to take benefit of favourable international sugar price scenario, which will help in timely payment of cane dues of farmers in current sugar season 2022-23. This will also reduce working capital costs of mills due to reduction in sugar stocks.

Another focus area is production of ethanol in the Country, which is a priority area to reduce dependence on fuel imports and support green and renewable energy movement. Higher ethanol prices encouraged sugar factories to divert more sugar towards ethanol. Diversion of sugar towards ethanol production during Ethanol Supply Year (ESY) 2022-23 is expected to be 4.5 million tones.

The Government is encouraging sugar mills and distilleries to enhance their distillation capacities and is supporting them to avail loans from banks. For such loans, interest subvention at 6% or 50% of the interest charged by the banks, whichever is less, is subsidized by the Government.

In the last 6 years, the Central Government has taken multiple and timely initiatives in sugar sector, enabling sugar mills to stand on their own and become a self-sustaining sector. During Sugar Season 2022-23, sugar mills were not given any subsidy for sugar production/marketing and even in the current season, sugar sector is expected to perform well even without any financial support from Government of India in the form of subsidy.

Facilitating diversion of sugar to ethanol production and export of surplus sugar as per availability, Government of India has taken care of interest of about 5 crore sugarcane farmer families as well as 5 lakh sugar mill workers along with a whole ecosystem of sugar sector, including ethanol distilleries, taking the industry on a growth trajectory.



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Daurala Sugar works successfully Exported Sugar Quota of 43798 ton allocated to it for the sugar season 22-23 till March 2023. Probability of Government allowing further exports beyond 6 million tons is quite remote. Till April 2023 the international sugar prices were continuously showing an upward trend and hovering around USD 670 per MT for white London Sugar#5.

Last year, DSW has changed its process from Sulphitation to Defco Remelt Phosphatation. This year, the Unit has carried out some jobs to further stabilize the process and for energy conservation. The new process is running stably.

During FY 22-23, DSW produced 2.178 lakh MT of sugar by crushing 23.18 lakh MT cane. The sugar recovery is 9.40% after diversion of around 4 lakh Qtl. of sugar to B-Heavy molasses. The recovery is lower as compared to last year, mainly due to weather conditions and unexpected disease of top borer in cane. Measures are being taken to address this problem in the next year crop.

We have exported the entire export quota allocated to us at a reasonably high price as our sugar is meeting all the international standards. The export realization was significantly better than domestic market price during the year 2022-23.

As the Distillery capacity has been increased last year, DSW's Ethanol production capacity has also been increased and the Unit has produced 36359 KL of alcohol during FY 2022-23.

The Central Government has laid down a target of 20% blending of Ethanol with petrol by 2025, which will give further fillip to the sector.

Around 50% of levy molasses, will be used in the Unit's country liquor plant and remaining molasses will be converted to ENA and sold to country liquor bottlers.

This season, we have diverted 100% B-Heavy Molasses as against last year 63%. It will increase the Ethanol production and better profitability of Distillery.

## Rayon

Shriram Rayons achieved highest ever sales turnover and profits during the year with increase in sales realisation and various cost reduction measures. The export volumes suffered in the second and third quarter of FY 2022-23. Reduction in production by European customers due to energy constraint during ongoing Russia Ukraine War resulted in a low offtake during the above said period and posed recessionary trend in the market. Unit's volumes were also in downward trend in FY 2020-21 and 2021-22 due to recessionary economic conditions followed by Covid-19 pandemic.

Adverse global demand supply situation affected the prices of raw materials, chemicals etc. in upward trajectory. But the Unit was able to off-set rise in cost of inputs with improved sales realisation.

The Unit implemented a project for capacity expansion of Rayon in a phased manner. Although the Project was delayed due to poor market conditions, lockdowns and restrictions on movement due to the spread of Covid-19, it is now nearly completed.

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

Maximising agro fuel usage and moving towards zero fossil fuel consumption helped the Unit in controlling the energy cost up to a certain extent. More energy conservation measures are being adopted considering future challenges of increase of agro fuel cost.

The Unit continued receiving appreciations and awards from various forums for its productivity, highest export in the segment, top performance in Technical Textiles, energy conservation, PAT Cycle-II, best employer & safety etc.

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



## **DIRECTORS' REPORT (continued)**

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

### **Chemicals**

The buoyancy in the Chemicals Businesses continued because of logistic constraints in China due to Covid restrictions and other reasons.

The Company's focus has been on optimizing sales realization by aggressive marketing/ dispatch of products with high margin.

In spite of higher inputs prices due to hardening of energy prices all over the world, the limit could restrict its impact by better realization on our products. Parallely, we have been focused on cost reduction through process improvements resulting in lower energy consumption, improved process efficiencies and operational cost control. Investment made in previous year have started yielding results in the form of better plant operation efficiencies.

### **Engineering Projects**

DSIL is slowly establishing its name in the Defence Equipment Manufacturing industry. Our products are being tried and appreciated by the defence and police forces.

The Armoured Vehicle project which had slowed down due to the exit of Ford India is back on track. DSIL has now gone into collaboration with Ford Motor Company, USA. The basic documentation formalities have been completed. The MoU and collaboration Agreement are in final stages with Ford USA. We have also received an informal confirmation that Ford, USA has got a go ahead for our collaboration after the internal due diligence. Ford will be supporting the Company from Thailand. The Company has also collaborated with RMA, Thailand (Ford's Global Export Distributor). Two stripped down Ford Ranger vehicles have been bought and received in India for prototyping. The designing of the vehicles with help from GAIA Automotives, Israel is in its final stages. Concurrently, we have also started the process of registering our new vehicle with ARAI, Pune for Type Certification.

The equity investment in Zyrone Dynamics, Turkiye is progressing well. The First, Second and Third tranches were transferred to Zyrone Dynamics in September 2021, January 2022 and October 2022. As per the Share Subscription and Shareholders Agreement, the Company will get 30% of the share capital in Zyrone Dynamics for a total value of US \$ 1.05 million in five tranches. Zyrone Dynamics has completed all the formalities for the first three tranches. It has now commenced the development of the Minimum Viable Product (MVP) of Variable Volume Concept UAV Platform, the main requirement to pay the fourth tranche. The development is in advanced stage and the MVP is likely to be ready soon for our inspection and assessment. The total holding of class A shares by the Company presently is 9,797 constituting 14.04% of ZD's paid up capital.

DSIL and Skylock, Israel have signed a MOU for partnership to make Counter Drone Systems in India. DSIL will have the exclusive rights for manufacturing and marketing their systems in India. All existing inquiries for the Counter Drone Systems will also be routed through the Company. A Counter Drone System has also been bought to showcase the counter drone capability to the Defence and Police Forces around the Country. A definitive agreement is in process.

DCM Shriram Industries Limited has now viable products in all three verticals to showcase to our customers. We are aggressively pursuing sales in India and abroad and hope to make breakthrough in the leads we are following in this financial year.

### **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 three non-material wholly owned subsidiaries, Daurala Foods & Beverages Pvt. Ltd., which is not carrying on any operations presently, DCM Shriram Fine Chemicals Limited, incorporated in September 2021 and DCM Shriram International Limited, incorporated in September 2022, both of which are yet to commence business. DCM Hyundai Limited is an associate company. The required information



regarding the performance and financial position of the subsidiaries and associate company are annexed in Form AOC - I as annexure to the Annual Financial Statements for the year ended 31.03.2023. There has been no change in relationship of subsidiaries/ associate company during the year.

### **Annual Return**

A copy of Annual Return for the year 2021-22, is available on the Company's web link <https://dcmsr.com/wp-content/uploads/2022/09/Annual-Return.pdf>. The Annual Return for the year 2022-23 will be uploaded after filing with the Registrar of Companies in due course.

### **BOARD MEETINGS AND DIRECTORS**

#### **Meetings of the Board**

During the year 2022-23 five board meetings were held. The dates of the meetings, attendance, etc., are given in the Corporate Governance Report annexed hereto.

#### **Declaration u/s 149(6) of the Act**

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

The Directors of the Company have also confirmed that they were not disqualified to be appointed as directors as per Section 164(2) of the Companies Act, 2013 and that they have not been debarred by SEBI or any other statutory authority to hold an office of director in a company.

#### **Familiarization Programme for Independent Directors**

As part of the familiarization programme for directors, a visit of the Board of Directors was arranged on 29.03.2023 to Shriram Rayons, Kota. The directors visited various plants and other establishments at Shriram Rayons Complex, Kota, accompanied by senior technical officers, who explained the operations to the directors. The directors also visited the Dr. Bansi Dhar School and other processes at the Complex. The directors interacted with the workers' representatives and senior officers. On the occasion the directors also witnessed a live demonstration of ZEBU, the Light Bullet Proof Vehicle and a Drone, both developed by the Engineering Projects Section of the Company. The directors appreciated the maintenance, hygienic conditions and safety measures adopted by the Unit at the plants and in the complex as a whole.

A Familiarization Programme for IDs, laid down by the Board has been posted on the Company's weblink – <https://dcmsr.com/wp-content/uploads/2023/05/Familiarization-Programme-for-Independent-Directors.pdf>

#### **Policy on Board Diversity**

The Board of Directors in its meeting held on 30.05.2016 had approved a Policy on Board Diversity, recommended by the Nomination & Remuneration Committee (NRC) as required under the SEBI (LODR) Regulations, 2015. A copy of the same has been posted on the Company's weblink - <https://dcmsr.com/wp-content/uploads/2021/04/Policy-BoardDiversity.pdf>

#### **Directors Appointment and Remuneration**

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

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



## DIRECTORS' REPORT (continued)

The directors of the Company are paid remuneration as per the Remuneration Policy of the Company, the gist of which is given under the heading 'Remuneration Policy' as part of this Report. The details of remuneration paid to the directors during the year 2022-23 are given 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 KMPs during the year.

Shri Madhav B. Shriram, Managing Director, retires by rotation pursuant to Section 152(6) of the Companies Act, 2013 at the ensuing Annual General Meeting and being eligible offers himself for reappointment. An item has accordingly been included in the Notice for the ensuing Annual General Meeting.

The present term of Shri Sanjay C. Kirloskar, Independent Director, concludes on 31.08.2023. As per section 149(10) of the Companies Act, 2013, an independent director can hold office for two terms of five consecutive years on the board of a company. Accordingly, the Board of Directors on recommendation of the Nomination & Remuneration Committee has proposed reappointment of Shri Sanjay C. Kirloskar as an Independent director for another term of five years from 01.09.2023 to the shareholders for approval. An item has accordingly been included in the Notice for the ensuing Annual General Meeting.

The present term of Shri Alok B. Shriram, Sr. Managing Director & CEO, and Shri Madhav B. Shriram, Managing Director, concludes on 30.09.2023. The Board, considering their performance and on recommendation of the Nomination & Remuneration Committee reappointed them for another term of 5 years w.e.f. 01.10.2023 on present terms, subject to approval of the shareholders at the ensuing Annual General Meeting. Items have accordingly been included in the Notice for the ensuing Annual General Meeting.

### Annual Evaluation of Board and Directors

As required under the Act and the SEBI (LODR) Regulations, 2015, evaluation of the performance of the Independent Directors, other non-executive directors, Board as a whole, Executive Directors, the Chairman and the Committees during the year 2022-23 was carried out by the Board of Directors, based on the criteria laid down by the NRC in the year 2017, in the meeting held on 29.03.2023. A copy of the 'criteria for evaluation' is annexed as **Annexure 2** hereto.

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

- that despite the downward trend in economic conditions due to post Covid impact and the turbulence in certain parts of the world, the Company has performed well.
- that the Board continued to adhere to highest standards in all above areas, and the performance was constructive and met the test of objectivity in achieving the goals of the Company.
- that the Committees carried out their functions according to the requirements mandated under the Companies Act/ SEBI Regulations, pursuant to which they were constituted, effectively. The Board particularly appreciated the Audit Committee which met regularly and acted as a watch dog in matters concerning finance, RPTs and internal financial controls.
- that all the directors including IDs have given very valuable inputs/contribution in achieving the goals of the Company. It was noted that the Executive Directors continued to perform with utmost responsibility in achieving the operating targets and the IDs and other directors contributed by providing valuable inputs and guidance.
- that the Independent Directors individually and collectively functioned constructively in the best interest of and beneficial to the Company and the stakeholders.
- that the IDs adhered to the Code of Independence as per Schedule IV of the Act and to the restriction regarding pecuniary relationship with the Company during the period under evaluation.

The IDs in a separate meeting held on the same day prior to the Board Meeting, reviewed and evaluated the performance of non-Independent Directors.



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

The performance evaluation by the Board and the Independent Directors did not find any matter requiring follow up action.

### **Directors' Responsibility Statement**

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Internal Financial Controls**

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

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

Apart from the above, an effective budgeting and monitoring system is also in place. Budgets are reviewed by Audit Committee and approved by the Board. The operating results are compared and monitored with the approved budgets periodically. An Executive Committee comprising of senior management team meets every month, reviews all aspects of operations and chalks out remedial measures and strategies, regularly. Monthly operations review reports comparing budgets with actual performances are placed before the Executive Committee for internal assessment and also before the Board on a quarterly basis.

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

To further strengthen the Internal Financial Controls and business transformation through digitization, the Company has implemented an advanced SAP S/4 HANA in all business segments.

### **Loans, Guarantees and Investments**

The particulars of loans given by the Company are given in Note no. 15 of the Standalone Financial Statements for the year ended 31.03.2023.

The Company has not made any investment or provided any guarantee covered u/s 186 of the Companies Act, 2013, during the year except surplus funds placed in liquid funds of Mutual funds on short term basis and the funds provided to DCM Shriram Fine Chemicals Limited, a wholly owned subsidiary, incorporated to explore and set up a fine chemicals plant at Dahej, Gujarat.





## DIRECTORS' REPORT (continued)

### Related Party Transactions

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

The Board had framed a Policy on Related Party Transactions which is revised in line with the legal requirements. A copy of the same is placed on the Company's weblink: <https://dcmsr.com/wp-content/uploads/2022/02/Policy-on-Related-Party-Transactions.pdf>

### CSR Activities

Pursuant to Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, an Annual Report on CSR activities in the prescribed proforma is annexed – **Annexure 3**. The Company was required to spend Rs.187.22 lakh, being 2% of the average net profits of the preceding 3 years during the year under review which have been fully utilized. The CFO has confirmed to the Board that funds mandated were spent as per approval of the CSR Committee and Board.

### Risk Management

As the Company has become one of the top 1000 companies, based on market capitalization (993) as on 31.03.2022, the Company inter alia was required to constitute a Risk Management Committee, comprising of Directors and Senior Personnel. Accordingly, the Board constituted a Risk Management Committee in the meeting held on 30.05.2022 and also laid down a Risk Management Policy as required under Regulation 17 of SEBI (LODR) Regulations, 2015 on 08.08.2022. The Committee is required to oversee the implementation of risk management measures and report to the Board through Audit Committee. The Committee met twice during the year 2022-23.

The Board of Directors in its meeting held on 30.01.2022 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 now being placed before the Board through the Risk Management and the Audit Committees.

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

The Board of Directors while reviewing the existing risk assessment procedures, laid down a Risk Management Policy.

### Public Deposits

Details relating to deposits, covered under Chapter V of the Act:

- i) Accepted during the year: - Rs. 5.00 Lakh.
- ii) Remained unclaimed as at the end of the year: - Nil  
(There is no deposit claimed but not paid)
- iii) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-
  - a) At the beginning of the year
  - b) Maximum during the year
  - c) At the end of the year
- iv) The details of deposits which are not in compliance with the requirements of Chapter V of the Act: - Nil



### **Significant Material Orders Passed by Regulators or Courts or Tribunals**

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

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

The required information as per Rule 8 (3) A, B & C of Companies (Accounts) Rules, 2014 is annexed – **Annexure 4.**

### **REMUNERATION POLICY**

The Board of Directors in its meeting held on 14.08.2014 had laid down a Remuneration Policy as recommended by the Nomination & Remuneration Committee (NRC) relating to remuneration of the Directors, Key Managerial Personnel (KMP), Sr. Management Personnel (SMP) and other employees of the Company. The Remuneration Policy is in accordance with Section 178 of the Act and the Rules made there under. The Policy was revised by the Board in its meeting held on 29.10.2019 on recommendations of the NRC. The Remuneration Policy is posted on the Company's weblink. <https://dcmsr.com/wp-content/uploads/2021/04/remuneration-policy.pdf>

The salient features of the Policy are given below:

#### **i. Guiding principle**

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

#### **ii. Directors**

Non-executive directors are paid remuneration in the form of sitting fees for attending Board/ Committee meetings as fixed by the Board from time to time subject to statutory provisions. Presently sitting fee is Rs.60,000 per Board meeting and Rs.30,000 per Committee meeting. In addition, Non-executive Directors are to be paid commission on profits of up to 1% of the net profit of the Company, computed in the manner laid down u/s 198 of the Companies Act, 2013, in such amount and proportion as may be decided by the Board of Directors.

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

#### **iii. Key Managerial Personnel and Sr. Management Personnel**

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

#### **iv. Other employees**

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

### **Managerial Remuneration**

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



## **DIRECTORS' REPORT (continued)**

Statement of particulars of the top ten employees in terms of remuneration including employees who were in receipt of remuneration which was not less than Rs.102 lakh or more per annum in aggregate during the year 2022-23 is annexed – **Annexure 6**.

### **Audit Committee**

The Audit Committee presently comprises of six members including four IDs, one Non-Executive Director and one Executive Director. Shri P.R. Khanna is the Chairman and Shri S.B. Mathur, Shri S.C. Kumar, Mrs. V. Kavitha Dutt, all of them IDs, Shri Manoj Kumar, Non-Executive Director and Shri Madhav B. Shriram, Managing Director are Members. There was no instance of the Board not accepting the recommendation of the Audit Committee.

### **Vigil Mechanism**

Pursuant to Section 177 of the Act and Regulation 22 of SEBI (LODR) Regulations, 2015, the Board of Directors, on the recommendation of the Audit Committee, adopted a Vigil Mechanism (Whistle Blower Policy). The Policy has been revised by the Board in its meeting held on 27.06.2020. The revised Policy has been circulated among the employees and also has been put on the weblink of the Company: <https://dcmsr.com/wp-content/uploads/2021/04/whistleblower-policy.pdf>

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

### **Share Capital**

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

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

### **Statutory Auditors**

As per Section 139 of the Companies Act, 2013, a firm of auditors can be appointed as Statutory Auditors for two terms of five year each. Accordingly, the shareholders in their meeting held on 08.08.2022 had reappointed M/s B S R & Co., LLP, Chartered Accountants Gurugram (Firm Registration No.101248W/W100022), whose first term of 5 years expired at the conclusion of the last AGM, for another term of 5 years from the conclusion of the last AGM to hold office till the conclusion of the AGM in the year 2027.

### **Cost Auditors**

M/s Ramanath Iyer & Co., Cost Accountants, (Regn No.13848), 808, Pearls Business Park, Netaji Subhash Place, Pitampura, Delhi – 110034, who were appointed as Cost Auditors of the Company for the year 2021-22, submitted the Cost Audit report, due for filing on or before 07.09.2022, to the Central Government on 29.08.2022. They have been reappointed as Cost Auditors for the year 2023-24. A resolution for ratification of their remuneration for the year 2023-24, as required under the Companies Act, 2013, forms part of the Notice convening the ensuing AGM.

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

### **Corporate Governance**

Reports on Corporate Governance and Management Discussion & Analysis are annexed – **Annexure 7**.

### **Anti-Sexual Harassment Policy**

Pursuant to the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013", the Company constituted Internal Complaints Committees at all its workplaces. There has not been any instance of complaint reported in this regard to any of the Committees during the year. The Committees were reconstituted effective from 01.07.2020 for 3 years.



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

#### **Applicability of IBC Code**

Neither any application was made nor any proceedings were pending under the IBC Code during the year.

#### **One Time Settlements**

The Company has not entered into any one time settlement of debt during the year under review.

#### **DISCLOSURE UNDER SECRETARIAL STANDARDS**

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

#### **Acknowledgment**

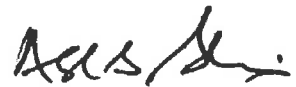
The Directors acknowledge the continued co-operation and support received from the banks and various government agencies, and all our business associates.

The Directors also place on record their appreciation of the contribution made by employees at all levels. Their conduct and support are of utmost in achieving the Company's objectives targets.

For and on behalf of the Board



(Madhav B. Shriram)  
DIN: 00203521  
Managing Director



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

Place: New Delhi,  
Date: 25th May, 2023



# DIRECTORS' REPORT (continued)

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

Annexure - 1

**Form No. MR-3  
Secretarial Audit Report**

**For the financial year ended March 31, 2023**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 ('**Audit Period**') 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, 2023 ("**Period under review**") according to the provisions of:

- (i) The Companies Act, 2013 ('**the Act**') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):-
  - a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable to the Company during the Audit Period**
  - d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **Not applicable to the Company during the Audit Period**
  - e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 **Not applicable to the Company during the Audit Period**
  - f) 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) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not applicable to the Company during the Audit Period**
- h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **Not applicable to the Company during the Audit Period**
- (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 and notified by Ministry of Corporate Affairs;
- ii) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015;

During the period under review, the Company has 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, Non-Executive and Independent Directors. During the period under review, there was no change in the composition of the Board of Directors.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except in cases where meetings were convened at a shorter notice. The Company has complied with the provisions of Act for convening meeting at the shorter notice. 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

Firm Registration No.: P1988DE002500

Peer Review Certificate No.: 1428/2021

Sd/-

**Shashikant Tiwari**

Partner

Membership No. F11919

Certificate of Practice No: 13050

UDIN: F011919E000302451

Place: Delhi

Date: 15.05.2023

Notes:

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



# DIRECTORS' REPORT (continued)

Annexure-A

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever 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  
Firm Registration No.: P1988DE002500  
Peer Review Certificate No.: 1428/2021  
Sd/-  
**Shashikant Tiwari**  
Partner  
Membership No. F11919  
Certificate of Practice No: 13050  
UDIN: F011919E000302451

Place: Delhi  
Date: 15.05.2023

Annexure - 2

**Criteria for Evaluation of Board as a Whole by all Directors**

Area of Evaluation	Criteria
a) <u>Structure of the Board</u>	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) <u>Meetings of the Board</u>	i) Regularity of meetings
	ii) Frequency
	iii) Logistics



	iv) Agenda
	v) Discussions and dissents
	vi) Recording of Minutes
	vii) Dissemination of information
c) <u>Functions of the Board</u>	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) <u>Board and Management</u>	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) <u>Professional development:</u>	

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

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



## DIRECTORS' REPORT (continued)

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

Area of Evaluation	Criteria
<u>General</u>	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
<u>Additional criteria for IDs</u>	a) Independence
	b) Independent views and judgement
<u>Additional criteria for Chairperson</u>	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
<u>General</u>	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
<u>Additional criteria for Chairperson</u>	a) Effectiveness of leadership and ability to steer the meeting
	b) Impartiality
	c) Commitment
	d) Ability to keep shareholders' interests in mind
<u>Flow of information</u>	Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.



**REPORT ON CSR ACTIVITIES**

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs are provided at Point No. 3 below.

2. Composition of CSR Committee:

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

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

CSR Committee	<a href="https://dcmsr.com/wp-content/uploads/2022/06/Composition-of-Board-Committee.pdf">https://dcmsr.com/wp-content/uploads/2022/06/Composition-of-Board-Committee.pdf</a>
CSR Policy	<a href="https://dcmsr.com/wp-content/uploads/2021/04/CSR-policy.pdf">https://dcmsr.com/wp-content/uploads/2021/04/CSR-policy.pdf</a>
CSR Projects	NA

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable – N.A.

S. No	Particulars	Amount (Rs.)
(a)	Average net profit of the company as per sub-section (5) of section 135	93,60,96,853.90
(b)	Two percent of average net profit of the company as per section 135(5)	1,87,21,937.08
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
(d)	Amount required to be set off for the financial year, if any	Nil
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	1,87,21,937.08

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 187,27,827  
 (b) Amount spent in Administrative Overheads: Rs.5,50,000  
 (c) Amount spent on Impact Assessment, if applicable: Not Applicable.  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 192,77,827  
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,92,77,827	NA*	NA	NA	NA	NA

\* Note: A project undertaken in house for rejuvenation of a water body at Daurala involving an expenditure of Rs. 15 lakh was completed in the month of April 2023.



## DIRECTORS' REPORT (continued)

(f) Excess amount for set off, if any:

S. No	Particulars	Amount (Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per section 135(5)	1,87,21,937.08
(ii)	Total amount spent for the Financial Year	1,92,77,827.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	5,55,889.92
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	5,55,889.92

7. Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6	7	8
Sl. No	Pre- ceding Financial Year	Amount trans-ferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount remain- ing to be spent in succeeding financial years. (in Rs.)	Amount remain- ing to be spent in succeeding Financial Years (in Rs)	Defi- ciency, if any
					Amount (in Rs.)	Date of transfer	
1	2019-20	NIL	-	-	-	-	-
2	2020-21	NIL	-	-	-	-	-
3	2021-22	NIL	-	-	-	-	-
	Total	NIL					

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:


Yes  No

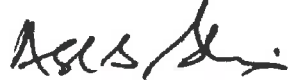
If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not Applicable**

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of cre- ation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registra- tion Number, if applicable	Name	Regis- tered address

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

  
(Madhav B. Shriram)  
Managing Director  
DIN: 00203521

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



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

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

**A. CONSERVATION OF ENERGY****I. Steps taken and impact on conservation of energy :**

- Installation of Evaporator body and mechanical circulators at 3 pans, reduced the steam consumption by 1.25%.
- Installed BLDC (Brush less) ceiling fans.
- Installed energy efficient Pumps & Motors.
- Phase wise replacement of Existing lighting system with LED lighting system.
- Installed energy efficient evaporative cooler turbo axial flow fans (4 D technology).
- Automatic temperature controlled heating system installed at Calciner.
- Jet cleaning water machine timer : Auto water cut-off control valve installed for water saving.
- Boiler feed pump upgraded with VFD & auto pressure control.
- Heat reflective coating used to conserve energy.
- Reduction in Ground Water extraction by increasing reuse / recirculation of condensate.
- VFD Control installed on some reactors.
- Process optimization.
- Installation of power factor controller to improve power factor from 0.95 to 0.98.
- Installation & Replacement of ordinary sodium & MV lamp Lights by LED Lights.

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

- Utilization of agro waste pellets in place of coal in coal fired boiler.
- Utilization of agro waste as boiler fuel increased from 97% to 99% of the total fuel consumed.
- Harnessing of solar power 2.11 MW capacity.

**III. Capital investment on energy conservation equipments : Rs. 350 lakh.****IV. Impact of the above measures :**

- Reduction in energy consumption.
- Reduction in cost
- Reduction in carbon footprint.
- Reduction in consumption of natural resources.

**B. TECHNOLOGY ABSORPTION:****I. Efforts made towards technology absorption:**

- Production of different type of refined sugar to meet different requirement of major institutional buyers as well as international market buyers.
- Two new products, i.e icing sugar and Demrara sugar has been introduced to cater market demand.
- Soft Starter used in place of ATS ( Auto transfer starter) on PC Machines.
- Automatic filtration introduced in final stage of viscose filtration.
- Fresh air and exhaust duct support structure of two spinning machines (19B & 20A) upgraded with FRP in place of MS & Wooden structure.
- Wet scrubber installed to control the SPM level of fine gases.
- Fabric width sensors installed.
- VFD & PLC based Automation system for Decanter machine in ETP lagoon area installed for water separation from effluent sludge.
- De-bottlenecking through process innovation.
- Change in the product mix to improve realisation.
- GAIA Behri Ltd, Israel has provided the design, manufacturing package and is setting up of the production facility. Complete transfer of technology has been completed.
- DSIL has signed for Collaboration with RMA (Ford Global Fleet Sales), Thailand for providing Ford Ranger platforms to manufacture a new indigenous design of LBPV.
- DSIL has been adjudged as L1 for a tender of 110 x LBPVs by J&K Police.
- DSIL has 30% equity stake in Zyrone Dynamics (ZD). DSIL along with equity will get the ZCQM and Variable Volume Concept technology, manufacturing & marketing rights. The First three tranches have been transferred to ZD and the total holding of class A shares by DSIL is 9,797 and shareholding in ZD is 14.04%.
- DSIL and Skylock, Israel have signed a MOU for partnership to make Counter Drone Systems in India. DSIL will have the exclusive rights for India.

## DIRECTORS' REPORT (continued)

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

- Cost reduction in fuel cost due to 1.25% steam saved.
- Fuel consumption costs have been reduced, since we are modifying our system to use the maximum quantity of bagasse in place of rice husk / fire wood.
- Pollution control.
- Energy Conservation.
- Quality Improvement.
- Time Saving.
- Cost Reduction.
- Reduction in breakdown.
- Productivity Increase & Capacity Utilization.
- Safety.
- Better Capacity utilization.
- Better realization due to waste recovery, less generation of waste.
- Lower cost of the products, debottlenecking to improve overall realization.
- Obtained a world class design for LBPV which is appreciated by all.
- In UAVs, we are developing prototypes on the various ZD platforms.

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

- Design details for the LBPV on Endeavour and Ranger chassis from GAIA, Israel.
- ZD has transferred the technology and manufacturing package of ZCQM UAV.

### IV. Expenditure incurred on Research and Development : Rs. 503.65 lakh

### C. FOREIGN EXCHANGE EARNINGS & OUTGO 2022-23 :

Total foreign exchange earned Rs. 481.73 Cr and used Rs. 213.68 Cr.

### Annexure - 5

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

1. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23 :

- Shri S.B. Mathur, Ind. Director	-	6:1
- Shri Alok B. Shriram, Sr.MD	-	82:1
- Shri Madhav B. Shriram, MD	-	82:1
- Smt. Urvashi Tilakdhar, WTD	-	82:1
- Shri Vineet Manaktala, Director Finance & CFO	-	21:1
- Shri P.R. Khanna, Ind. Director	-	6:1
- Shri Ravinder Narain, Ind. Director	-	5:1
- Shri S.C. Kumar, Ind. Director	-	5:1
- Smt. V. Kavitha Dutt, Ind. Director	-	5:1
- Shri Sanjay C. Kirloskar, Ind. Director	-	4:1
- Shri Manoj Kumar, Non-Executive Director	-	5:1
- Smt. Mini Ipe, Nominee Director	-	3:1
2. The percentage increase in remuneration of each Director, CFO and Company Secretary in the financial year 2022-23:

- Shri S.B. Mathur, Ind. Director	-	(6)
- Shri Alok B. Shriram, Sr.MD	-	(2)
- Shri Madhav B. Shriram, MD	-	(2)
- Smt. Urvashi Tilakdhar, WTD	-	4
- Shri Vineet Manaktala, Director Finance & CFO	-	45
- Shri P.R. Khanna, Ind. Director	-	(5)
- Shri Ravinder Narain, Ind. Director	-	(5)
- Shri S.C. Kumar, Ind. Director	-	(5)
- Smt. V. Kavitha Dutt, Ind. Director	-	(5)
- Shri Sanjay C. Kirloskar, Ind. Director	-	(1)
- Shri Manoj Kumar, Non-Executive Director	-	(7)
- Smt. Mini Ipe, Nominee Director	-	(11)
- Shri Y.D. Gupta, Company Secretary	-	16



3. Percentage increase in the median Remuneration of employees in the financial year : 4.8
4. Number of permanent employees on the rolls of the Company : 2367
5. Average percentile increase in the remuneration of employees other than managerial personnel during the year 2022-23 was **5.20%**, whereas the average percentile increase in the managerial remuneration was (4.96)%. Three of the managerial personnel are entitled to commission on profits, as decided by the Board within the limit laid down by the shareholders, apart from salary and perquisites.
6. We affirm that the remuneration is as per the Remuneration Policy of the Company.

**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, 2023.**

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

Name	Designation and nature of Duties	Remuneration Received (Rs.)	Qualification	Experience (years)	Date of commencement	Age (years)	Particulars of last employment.
Urvashi Tilakdhar	Whole Time Director (Corp Affairs)	2,89,86,088	P.G.(Sociology)	04	14.08.2019	67	-
Alok B. Shriram	Sr. Managing Director & CEO	2,89,85,838	B.Com. (Hons.)	43	01.01.1990	62	Shriram Honda Power Equipment Ltd.
Madhav B. Shriram	Managing Director	2,89,85,557	B.Com. (Hons.), MBA	35	22.05.1990	58	Executive Trainee, Nissho Iwai
Vineet Manaktala	Director Finance & CFO	73,14,362	B.Com(Hons), M.Com, CA	38	11.04.1995	60	Shriram Honda Power Products Ltd
Vinod Kumar Jaitly	CEO	70,71,925	LLB, B.Com., PG Diploma in Business Admn. and PG Diploma in Leadership	48	01.02.1993	68	Jay Engg. Works Ltd.
Girish Yajnik	Gr.Sr.VP (Works)	70,39,846	M.Sc. Organic Chemistry	38	16.03.1991	60	Indian Maize & Chemicals Ltd.
Sanjay Rastogi	President (BGS & Work Head)	56,26,884	B.Sc., Sugar Tech. Course	35	23.09.1989	57	Mansoorpur Sugar Mill
Akshay Dhar	President (BGC)	51,91,820	BBA (Business & Mgmt. Studies)	18	21.04.2008	39	EID Parry Ltd.
Kanika Shriram	President (BGR)	50,31,600	MA (Corp. Comn. & Marketing)	18	03.10.2011	38	Harley-Davidson Motor Co. India Pvt. Ltd.
Rohan Shriram	Vice President (BGS & A)	49,53,463	B.A. Economics	3	11.02.2020	29	Verisk Financial Services

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

Ms. Kanika Shriram is related to Mr. Alok B. Shriram.

Mr. Akshay Dhar is related to Mrs. Urvashi Tilakdhar.

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

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

**CORPORATE GOVERNANCE REPORT**

**Annexure - 7**

(A) Corporate Governance Philosophy

Good Corporate Governance practices, evolved over the years, play an integral role in present day management. Every business, irrespective of its nature, is closely linked to the society in one way or the other. Ensuring all-round transparency generates and strengthens confidence of stakeholders in a company. Corporate Governance practices constitute the strong foundation on which successful enterprises are built to last. Adhering to compliances laid down by regulatory bodies in the form of mandatory regulations or guidelines to be followed voluntarily, set benchmarks of transparency. Corporate Governance goes beyond ensuring corporate compliances. A business to be successful has to build a bond with stakeholders and society based on trust and reputation. Corporate Governance is intended to increase accountability and to facilitate prudent management.



## DIRECTORS' REPORT (continued)

The Company's CG philosophy in a nutshell encompasses five areas viz. equitable treatment of shareholders and ensuring their rights, protecting interests of other stakeholders, role and responsibility of the Board, integrity & ethical behavior at all levels and timely disclosure, transparency and environment protection. The Company ensures full compliance with the requirements of Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations). The Company is fully aware of its responsibility to protect environment and the onus on it to reduce emissions in order to achieve targets by 2030. It is the avowed responsibility of the Board of Directors to ensure high standard of Corporate Governance and lay down stringent compliance policies so as to maintain faith of all stakeholders in the Company. In furtherance of transparency in businesses and to instill confidence among investors top 1000 companies, based on market capitalization are required to include "Business Responsibility and Sustainability Report" as part of Annual report. The Business Responsibility and Sustainability Report cover a wide range of information about a company's operations and policies with emphasis on environment protection measures. Such a report form part of this year's Annual Report of the Company for the first time.

The CG Report in respect of the year ended 31.03.2023 is given below:

### (B) Board of Directors

The Company's Board comprises of an ideal combination of executive and non-executive directors, headed by a non-executive independent Chairman. Of the twelve (12) directors, four (4) are executive directors. Three (3) executive directors represent the promoters. Of the eight (8) non-executive directors, six (6) are independent directors, one (1) is a non-independent director and one (1) a nominee director, representing Life Insurance Corporation of India, an equity investor. They all are persons of eminence with long experience in the fields of finance, law, trade or industry. The Board's composition is in consonance with the CG requirements under Regulation 17 of the LODR Regulations and Section 149(4) of the Companies Act, 2013.

### Board Meetings, attendance and other directorships

During the year, five Board meetings were held in hybrid mode on 30.05.2022, 08.08.2022, 14.11.2022, 14.02.2023 and 29.03.2023. Attendance and other details are given below:

S. No	Name of Director	DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM	Other Directorships*	No. of Committee Memberships ** (other companies)	
							Member	Chairman
1	Shri S.B. Mathur	00013239	Chairman (Non-Executive Independent)	5	Yes	4	5	3
2	Shri Alok B. Shriram	00203808	Sr. MD (Promoter & Executive Director)	5	Yes	3	Nil	Nil
3	Shri Madhav B. Shriram	00203521	MD (Promoter & Executive Director)	5	Yes	Nil	Nil	Nil
4	Smt. Urvashi Tilakdhar	00294265	WTD (Promoter & Executive Director)	5	Yes	1	Nil	Nil
5	Shri P.R. Khanna	00048800	Non-Executive Independent Director	5	Yes	1	1	1
6	Shri Ravinder Narain	00059197	Non-Executive Independent Director	5	Yes	Nil	Nil	Nil
7	Shri Samir Chandra Kumar	00064453	Non-Executive Independent Director	5	Yes	Nil	Nil	Nil
8	Smt. V. Kavitha Dutt	00139274	Non-Executive Independent Director	5	Yes	6	3	1
9	Shri Sanjay Chandrakant Kirloskar	00007885	Non-Executive Independent Director	5	Yes	4	3	1
10	Shri Manoj Kumar	00072634	Non – Executive Director	5	Yes	1	2	1
11	Shri Vineet Manaktala	09145644	Director Finance & CFO (Executive Director)	5	Yes	1	Nil	Nil
12	Smt. Mini Ipe	07791184	Nominee Director, LIC	3	Yes	1	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 Madhav B. Shriram and Shri Alok B. Shriram being brothers are related to each other. None of the other Directors are related to any other Director on the Board.



**Details of Directorships in other listed entities:**

S. No.	Name of Directors	Other directorship in Listed Entities	Category of Directorship
1	Shri S B Mathur	Ultratech Cement Limited	Independent Director
		Thomas Cook (India) Ltd.	Independent Director
2	Shri Alok B. Shriram	-----	-----
3	Shri Madhav B. Shriram	-----	-----
4	Smt. Urvashi Tilakdhar	-----	-----
5	Shri Vineet Manaktala	-----	-----
6	Shri Prithvi Raj Khanna	Indag Rubber Limited	Independent Director
7	Shri Ravinder Narain	-----	-----
8	Shri Samir Chandra Kumar	-----	-----
9	Smt. V. Kavitha Dutt	The KCP Limited	Managing Director
		Centum Electronics Limited	Independent Director
		Apollo Hospitals Enterprise Limited	Independent Director
10	Shri Sanjay Chandrakant Kirloskar	Kirloskar Brothers Limited	Managing Director
		KPT Industries Limited	Independent Director
11	Shri Manoj Kumar	Spicejet Limited	Independent Director
12	Smt. Mini Ipe	-----	-----

**Meeting of Independent Directors:** A separate meeting of Independent Directors, pursuant to Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was held on 29.03.2023. In the said meeting the Independent Directors, inter alia, reviewed the performance of Executive Directors, Non-Executive Director (other than Independent Directors), Chairman and the Board as a whole. All the Independent Directors attended the meeting.

Number of shares and convertible instruments held by Non-Executive Directors in the Company are as under:

S. No.	Name of Non-executive Director	Number of shares held (Equity Shares of Rs.2 each)
1	Shri P.R. Khanna	4800
2	Shri Ravinder Narain	2850
3	Smt. V. Kavitha Dutt	2500
4	Shri S.B. Mathur	--
5	Shri S.C. Kumar	--
6	Shri Sanjay C. Kirloskar	--
7	Shri Manoj Kumar	75
8	Smt. Mini Ipe	--

There are no convertible instruments in the Company, presently.

**The Familiarization programme for Independent Directors**

A plant visit by directors was organized on 29.03.2023 to Shriram Rayons Unit, situated at Kota, Rajasthan. The Directors were briefed about the manufacturing technology, process and product development programmes.

The Directors were apprised of the Plants' operation systems, safety measures, handling and management systems etc. The visit was followed by separate meetings of the Independent Directors and the Board.

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

<https://dcmsr.com/wp-content/uploads/2023/05/Familiarization-Programme-for-Independent-Directors.pdf>






## DIRECTORS' REPORT (continued)

### Core Skills, expertise and competence of Board of Directors

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

Name of Directors	Core Skills / Expertise /Competencies				
	Leadership/ Operational Experience	Strategic Planning	Sector/Industry Knowledge & Experience, R&D Innovation	Technology	Financial, Regulatory/Legal & risk Mgmt.
S B Mathur	•	•	•	•	•
Alok B Shriram	•	•	•	•	•
Madhav B Shriram	•	•	•	•	•
Urvashi Tilakdhar	•	•	•	•	•
Vineet Manaktala	•	•	•	•	•
P R Khanna	•	•	•	•	•
Ravinder Narain	•	•	•	•	•
S C Kumar	•	•	•	•	•
V Kavitha Dutt	•	•	•	•	•
S C Kirloskar	•	•	•	•	•
Manoj Kumar	•	•	•	•	•
Mini Ipe	•	•	•	•	•

### Independent Directors

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

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

### (C) Audit Committee

#### (i) Terms of reference

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

#### (ii) Composition, Meetings and Attendance

The Audit Committee, inter alia, ensures that an effective internal financial control system is in place. During the year, four (4) meetings of the Audit Committee were held in hybrid mode on 30.05.2022, 08.08.2022, 14.11.2022 and 14.02.2023.

The Audit Committee as on 31.03.2023 has six (6) members, comprising of five (5) Non-Executive Directors of which four (4) are Independent Directors and one (1) Executive Director. The Company Secretary is the Secretary of this Committee. The attendance at these meetings during the year was as follows:

Name of the Member	Status	No. of Meetings attended
Shri P.R. Khanna	Chairman	4
Shri S.B. Mathur	Member	4
Shri S.C. Kumar	Member	4
Shri Manoj Kumar	Member	4
Smt. V. Kavitha Dutt	Member	4
Shri Madhav B. Shriram	Member	4

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

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

*[Handwritten Signature]*



#### (D) Nomination & Remuneration Committee

##### (i) Terms of Reference

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

##### (ii) Composition, Meetings and Attendance

The NRC is comprised of five (5) Non-Executive Independent Directors. The Company Secretary is the Secretary of this Committee. During the year two (2) meeting of the NRC were held on 30.05.2022 and 08.08.2022. The attendance at the meeting was as follows:

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

All the members of the NRC were present at the previous AGM held on 08.08.2022.

##### (iii) Performance Evaluation Criteria

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

##### (iv) Remuneration Policy

The Board on the recommendation of the NRC had laid down a Remuneration Policy for the Company in line with the requirements of Section 178 of the Companies Act, 2013. A gist of the policy has been given in the Directors' Report. A copy of the Policy has been put on the website of the Company –

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

#### (E) Stakeholders' Relationship Committee

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

During the year one (1) meeting of the Committee was held on 29.03.2023, which was attended by all members. The composition of the Committee is as under:

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

All the members of the Committee attended the last AGM held on 08.08.2022. Shri Y. D. Gupta, Company Secretary is the Compliance Officer of the Company.

During the year 2022-2023, the Company had received Seven (7) shareholders' complaints all of which were resolved to the satisfaction of the shareholders.

#### (F) Risk Management Committee

##### Terms of Reference

The Company has constituted the Risk Management Committee on 30.05.2022. The Committee comprises of four directors as on 31.03.2023. The Terms of reference of the Risk Management Committee are in conformity with the provisions of Regulation 21 of Listing Regulations and includes monitoring and reviewing of risk management plan and reporting the same to the Board of Directors periodically as it may deem fit, through Audit Committee. In addition, the Committee may look to any other issue referred by the Board.

## DIRECTORS' REPORT (continued)

### Meetings and Attendance:

During the year two (2) meeting of the RMC were held on 08.08.2022 and 02.02.2023. The attendance at the meeting was as follows:

Name of the Members	Status	No. of Meetings attended
Shri Alok B. Shriram	Chairman	2
Shri Vineet Manaktala	Member	2
Shri Sanjay C. Kirloskar	Member	2
Shri Manoj Kumar	Member	2
*Shri P. Sarangi	Member	1
Shri Madhav B. Shriram	Member	4

\* Mr. P. Sarangi ceased as a member of the Committee on resignation from the Company

### (G) Remuneration of directors:

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

Non-Executive Directors are paid sitting fees for attending the Board and Committee meetings. Presently the sitting fee is Rs.60,000 per board meeting and Rs.30,000 per committee meeting. The shareholders in their meeting held on 10.08.2016 accorded their approval for payment of commission on profits of up to 1% of the net profit of the Company, computed in the manner laid down u/s 198 of the Companies Act, 2013, in such amount and proportion as may be decided by the Board of Directors to Non-Executive Directors. The details of the sitting fee and commission paid for the year 2022-23 to Non-Executive Directors are given below.

Non-Executive Directors	Sitting fees (Rs./lakhs)	Commission (Rs./lakhs)
Shri S.B. Mathur	6,90,000	14,24,000
Shri P.R. Khanna	6,90,000	13,41,000
Shri Ravinder Narain	4,50,000	11,77,000
Shri S.C. Kumar	5,70,000	13,41,000
Mrs. V. Kavitha Dutt	5,40,000	12,59,000
Shri Sanjay C. Kirloskar	4,80,000	10,95,000
Shri Manoj Kumar	5,10,000	10,95,000
Smt. Mini Ipe (Payable to LIC)	1,80,000	9,30,000

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

### b) Remuneration to executive directors

The details of remuneration of executive directors for the year ended 31.03.2023 are given below:

(Amount in Rs.)

Executive Directors	Salary	Commission/ Reward	Perquisites	Retirement benefits
Shri Alok B. Shriram (Sr. MD)	70,80,000	1,56,35,000	43,59,238	19,11,600
Shri Madhav B. Shriram (MD)	69,60,000	1,55,89,000	45,57,357	18,79,200
Smt. Urvashi Tilakdhar (WTD)	66,00,000	1,69,43,000	36,21,488	17,82,000
Shri Vineet Manaktala [ Director Finance & CFO]	28,50,000	9,00,000*	27,94,862	7,69,500

\* For the year 2021-22.

The appointments are contractual in nature and can be determined by either party by giving notice as per their terms of appointment or lesser notice as may be agreed to. In the event of termination of appointment by the Company, the managerial personnel shall be entitled to compensation in accordance with the provisions of the Companies Act. No stock options were issued by the Company to its Directors/ Employees.



(H) General Body Meetings

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

Financial Year	Date	Time	Venue
2019-2020	02/09/2020	11:00 A.M.	Video Conferencing (V.C.) / Other Audio Video Visual Means
2020-2021	08/09/2021	11:00 A.M.	Video Conferencing (V.C.) / Other Audio Video Visual Means
2021-22	08/08/2022	11.00 AM	Video Conferencing (V.C.) / Other Audio Video Visual Means

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

**AGM 2022**

No special resolution was passed in the last AGM held on 08.08.2022.

**AGM 2021**

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

**AGM 2020**

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

**Postal Ballot**

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

**(I) Means of communication**

The Company publishes quarterly, half-yearly and annual results as required under the SEBI (LODR) Regulations, 2015 in the prescribed format. The results are published in one English and one Hindi daily newspaper. During the year under review the results were published in the Financial Express (English) and the Jansatta (Hindi). The unabridged version of the results is uploaded on the Bombay Stock Exchange Listing portal and National Stock Exchange, which is available on the websites of the both Stock Exchanges. The results are also put on the Company's website <https://dcmsr.com/financial-results-annual-reports/#financial-results>. The Company has not released any official press note and has not made any presentation to the institutional investors or to the analysts during the year.

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

**(J) General Shareholder Information**

- (i) The ensuing AGM will be held on Saturday, the 12th of August, 2023 at 11:00 A.M. through Video Conferencing / Other Audio Video Visual Means as permitted by the Ministry of Corporate Affairs as a measure of continued vigil on Covid. The detailed procedures in this regard are given in the Notice for the e-AGM and also will be notified in newspapers.
- (ii) Financial Year: The Company follows 1st April to 31st March as financial year.
- (iii) Cut-off Date: The cut-off date for deciding the entitlement for casting e-Vote etc. is 01.08.2023.
- (iv) Dividend

The interim dividend of Re.1 per equity share of Rs. 2 each (50%) paid in March, 2023 absorbed Rs. 8.69 Crore. No final dividend was recommended by the Board considering the need for preserving resources to meet expected liabilities.

## DIRECTORS' REPORT (continued)

### (v) Investor Education and Protection Fund

Pursuant to the applicable provisions of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all unpaid or unclaimed dividend are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government of India, under Section 125 of the Act, after the completion of seven years from the date of transfer to Unpaid Dividend Account of the Company. Further, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred by the Company in the name of IEPF.

Accordingly, during the year under review, Company has transferred unclaimed dividend amount of Rs.7,33,997 pertaining the Financial Year 2014-15 on 09th November, 2022 to the IEPF. The Company has also transferred 1,54,940 shares to IEPF on which dividends have not been claimed for seven consecutive years.

The unclaimed dividend for the financial year 2015-16 declared on August 10, 2016, along with the relative shares are due to be transferred to the IEPF by 08th September 2023. The same can, however, be claimed by the Members by 05th September, 2023. The details of such unclaimed dividend to be transferred are available on the Company's Website, www.dcmsr.com.

Members who have not encashed the dividend warrant(s) from the financial year ended March 31, 2016 onwards may forward their claims to the Company's Registrar and Share Transfer Agents before these become due for transfer to the IEPF. The Company will send the notices to all such members in this regard and will also publish the same by way of newspaper advertisement.

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

The following table gives information relating to outstanding dividend amounts and the month in which the amounts are due for transfer to IEPF:

Financial Year	Date of Declaration of Dividend	Outstanding Dividend Amount	Due to be Transferred to IEPF Fund in
2015-16 (Final)	10.08.2016	21,35,115	October, 2023
2016-17 (Interim)	23.11.2016	25,09,605	January, 2024
2016-17 (Final)	22.08.2017	50,84,346	October, 2024
2017-18 (Final)	11.08.2018	15,60,028	October, 2025
2018-19 (Final)	13.08.2019	19,11,702	October, 2026
2019-20 (Interim)	10.02.2020	17,78,675	March, 2027
2020-21 (Interim)	12.02.2021	16,43,750	March, 2028
2020-21 (Final)	08.09.2021	7,84,397	October, 2028
2021-22 (Interim)	14.02.2022	14,20,327	March, 2029
2021-22 (Final)	08.08.2022	7,44,706	September, 2029
2022-23 (Interim)	14.02.2023	15,15,884	March, 2030

### (vi) Listing on Stock Exchange

The names of the stock exchanges at which Company's shares are listed as on 31st March, 2023 and details of "Scrip Codes" are as mentioned below:

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

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

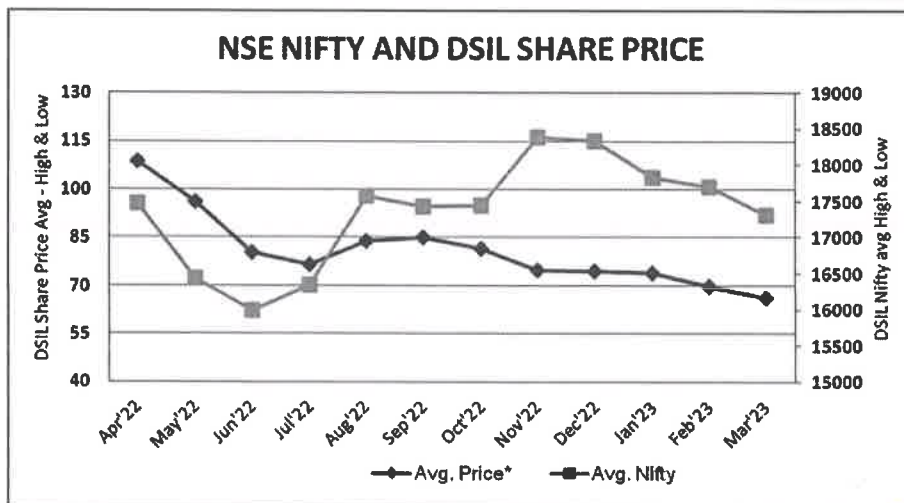
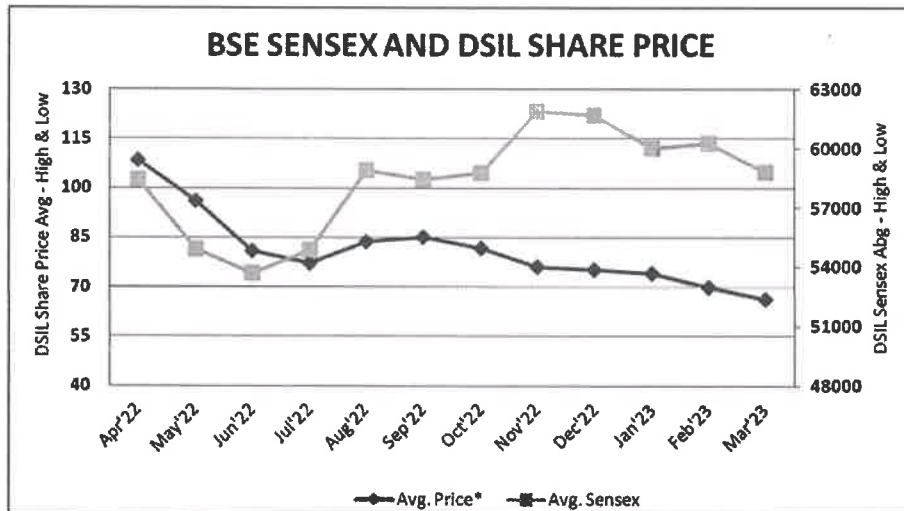


(vii) **Market price of DSIL's Share**

Monthly high and low prices of equity shares (face value of Rs. 2 each) of the Company on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited are given below:

Month	BSE		NSE	
	High	Low	High	Low
April, 2022	125.8	91.55	125.90	91.40
May, 2022	111.5	80.4	111.70	80.25
June, 2022	92.3	69.6	92.50	68.20
July, 2022	82.9	71.7	82.60	70.35
August, 2022	92.9	74.65	92.90	74.80
September, 2022	94.75	75.6	94.55	75.35
October, 2022	86.55	76.7	86.45	76.50
November, 2022	83.5	69	80.45	68.90
December, 2022	81.5	68.7	81.75	67.00
January, 2023	79.05	69.3	78.80	69.25
February, 2023	76.75	62.95	77.00	62.80
March, 2023	73.55	58.9	73.40	59.00

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



## DIRECTORS' REPORT (continued)

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

KFin Technologies Ltd. is the Share Transfer Agent of the Company, having the following addresses:

Selenium Tower B, Plot 31-32  
Gachibowli, Financial District  
Nanakramguda, Hyderabad – 500 032  
Phone 040-67161500 / 1800 3094 001  
Email ID: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

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

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

In order to expedite transmission of shares in physical form, the Board had delegated authority to the Company Secretary to approve transmission of up to 2000 shares in any one case at a time. Beyond 2000 shares, in any one case, transmission is approved by Stakeholders' Relationship Committee.

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

The Board has constituted a Committee of three directors comprising of Shri Alok B. Shriram (Chairman), Shri Madhav B. Shriram & Shri Vineet Manaktala to approve requests for issue of duplicate share certificates expeditiously against those reported lost, mutilated or untraceable.

### (ix) Shareholding

#### A. Distribution of Shareholding as on 31<sup>st</sup> March, 2023

Category (Shares)	Number of Shareholders	% of Shareholders	Total Shares	% of Shares
1	5000	61637	13463291	15.48
5001	10000	346	2565644	2.95
10001	20000	152	2198727	2.53
20001	30000	52	1257779	1.45
30001	40000	19	662300	0.76
40001	50000	15	680249	0.78
50001	100000	31	2155514	2.48
100001 & Above	28	0.04	64008681	73.58
<b>TOTAL</b>	<b>62280</b>	<b>100.00</b>	<b>86992185</b>	<b>100.00</b>

Included shares transferred to IEPF.

#### B. Shareholding Pattern as on 31st March, 2023

Category	No. of shares held	% of Shareholding
Promoters	43590115	50.11
Insurance Companies, AIF, Banks & Mutual funds	6807630	7.82
Foreign Portfolio Investor	52129	0.06
Others (public)	36542311	42.01
<b>TOTAL</b>	<b>86992185</b>	<b>100.00</b>

### (x) Dematerialization of shares

The shares in the Company are under compulsory dematerialized trading. Up to 31.03.2023, 853.58 Lakh out of 869.92 Lakh (98.12%) Equity Shares in the Company have been dematerialized. The Company's ISIN No. is **INE843D01027**.

### (xi) Outstanding instruments

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

### (xii) Commodity price risk or foreign exchange risk and hedging activities.

The price of the products exported and raw materials viz wood pulp etc. imported are finalized once in a year and are held firm for the year. This automatically hedges the exchange risk to a large extent. The uncovered exposure is covered on the basis of assessment of the variations through forward cover mechanism from time to time.



**(xiii) 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'  
5<sup>th</sup> Floor, Kanchenjunga Building,  
18, Barakhamba Road, New Delhi – 110001  
CIN – L74899DL1989PLC035140  
E-mail ID – [investorservices@dcmshr.com](mailto:investorservices@dcmshr.com)  
Tel: 011-43745000

**(xiv) Credit Ratings**

Credit ratings obtained by the Company are as under:

Instrument	Rating	Remarks
Fixed Deposit	CARE A + (FD)	Reaffirmed on 20.09.2022 Valid till 19.09.2023
Short term bank facilities	CARE A1 +	Reaffirmed on 20.09.2022 Valid till 19.09.2023
Long term facilities	CARE A +	Reaffirmed on 20.09.2022 Valid till 19.09.2023

**(xv) Other Disclosures**

- There have been no materially significant related party transactions that may have potential conflict with the interest of the Company at large.
- There has been no instance of non-compliance by the Company of any requirements related to capital markets during the last 3 years
- 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.
- 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.
- The policy regarding determination of material subsidiary is available on the Company's website <https://dcmshr.com/wp-content/uploads/2021/04/mspolicy.pdf>.
- The policy on dealing with related party transactions is available on the Company's website <https://dcmshr.com/wp-content/uploads/2022/02/Policy-on-Related-Party-Transactions.pdf>
- The Company is not engaged in commodity trading on the Commodity Exchange/s, except in Renewable Energy Certificate (REC) .
- The Company has not raised any funds through preferential allotment / qualified institutions placement as specified under Regulation 32(7A) of the SEBI (LODR) Regulations, 2015 during the year 2022-23.
- A certificate from M/s. Chandrasekaran & Associates, Practicing Company Secretaries, confirm that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI / Ministry of Corporate Affairs, or any such statutory authorities.
- There has been no case where the Board did not accept any recommendation of any of the Committees of the Board.





## DIRECTORS' REPORT (continued)

- k) The total fees paid by the Company and its subsidiaries to the Statutory Auditors of the respective companies during the year 2022-23 are given below:

Auditors	Audit	Amount (Rs./ lakh)
Company – BSR & Co., LLP	- Statutory Audit	59.00
	- Others	41.00
Wholly owned Subsidiary – Daurala Foods & Beverages Pvt. Ltd. M/s. SR Dinodia & Co.	- Statutory Audit	0.70
	- Others	0.42
Wholly owned Subsidiary - DCM Shriram Fine Chemicals Ltd.	- Statutory Audit	0.85
	- Others	0.15
Wholly owned Subsidiary - DCM Shriram International Ltd.	- Statutory Audit	0.15
	- Others	-

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

- l) No complaint was received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- m) No loan or advances in the nature of loans were given to firms/ companies in which directors are interested during the year 2022-23, except to wholly owned subsidiaries as disclosed in the note 55 to the annual report.
- n) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

The Company has no material subsidiary and as such not applicable.

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

**(k) Demat Suspense Account / Unclaimed Suspense Account**

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

Particulars	No. of Folios	No. of Shares
Outstanding shares in the suspense Account as on 1st April, 2022.	308	24900
Number of shareholders approached the Company for transfer of shares from suspense account during the year 2022-23.	1	6000
Number of shareholders to whom shares were transferred from suspense account during the year 2022-23.	1	6000
Shares transferred to IEPF as per IEPF Rules 2016 (for the year 2022-23) from suspense account.	73	3315
Outstanding shares lying in the suspense account at the end of 31.03.2023	234	15585

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

### **Confirmation of Compliance of Code of Business Conduct and Ethics**

I declare that all the Board members, Key Managerial and Senior Management Personnel have individually affirmed compliance with the Code of Business Conduct and Ethics adopted by the Company during the year 2022-23.

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

May 25, 2023





## CORPORATE GOVERNANCE CERTIFICATE

The Members

**DCM Shriram Industries Limited**

Kanchenjunga Building 18,  
Barakhamba Road, New Delhi- 110001

We have examined the compliance of conditions of Corporate Governance by DCM Shriram Industries Limited ("the Company"), for the financial year ended March 31, 2023 as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. 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 under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

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

For **Abhishek Thakur & Associates**  
Company Secretaries  
Firm Registration No.: S2019DE832200

Sd/-  
Abhishek Thakur

Membership No. F10660  
Certificate of Practice No. 22092  
Peer Review No: 1534/2021  
UDIN: F010660E000311235

Date: 15.05.2023  
Place: Delhi

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members

DCM SHRIRAM INDUSTRIES LIMITED

CIN: L74899DL1989PLC035140

Kanchenjunga Building 18, Barakhamba Road  
New Delhi -110001

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and declarations received from respective Directors, We hereby certify that as on Financial Year ended on March 31, 2023 none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:



## DIRECTORS' REPORT (continued)

S. No.	Name of Director	DIN	Date of appointment in Company
1	Sunil Behari Mathur	00013239	14/01/2008
2	Alok Bansidhar Shriram	00203808	01/04/1992
3	Madhav Bansidhar Shriram	00203521	05/10/2005
4	Urvashi Tilakdhar	00294265	14/08/2019
5	Vineet Manaktala	09145644	01/07/2021
6	Prithvi Raj Khanna	00048800	05/10/2005
7	Ravinder Narain	00059197	29/01/2008
8	Samir Chandra Kumar	00064453	10/02/2013
9	Velagapudi Kavitha Dutt	00139274	02/02/2015
10	Sanjay Chandrakant Kirloskar	00007885	01/09/2018
11	Manoj Kumar	00072634	27/06/2020
12	Mini Ipe	07791184	30/03/2022

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

For Chandrasekaran Associates  
Company Secretaries

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

Sd/-  
Shashikant Tiwari  
Partner

Membership No. FCS No.: 11919  
Certificate of Practice No: 13050  
UDIN: F011919E000302473

Date: 15.05.2023  
Place: Delhi

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company's business comprises of sugar, alcohol, co-generation of power, fine chemicals, industrial fibre and defence related products. Its manufacturing facilities are located at Daurala (U.P.) and Kota (Rajasthan). The Directors' Report gives segment-wise/ product-wise performance and outlook of these operations. The Directors' Report also deals with internal financial control systems, their adequacy, risks, and concerns.

The industry situation and competitive scenario of different segments of operations of the Company are given below:-

#### Sugar

India's sugar export for Sugar Season 2022-23 was set at 6 million tons, from the all-time high of 11 million tons in Sugar Season 2021-22. However, higher domestic and export price of sugar as well ethanol will support revenue growth of the industry over the medium term.

The sugar sector in India is highly regulated, with sugar being an essential commodity and the largest agro-based industry. The Government regulates the quantum of export, as well as monthly sugar quota for domestic sales, besides determining the FRP/SAP of sugarcane.

Still the sugar sector outlook remains stable due to lower working capital requirement following the reduced inventory, higher ethanol volumes, increase in ethanol realizations by 3%. As a result, integrated sugar players are better positioned compared to non-integrated ones, despite the pressure on profitability.

#### Sugar Industry Strengths, Weaknesses, Opportunities & Threats (SWOT):

##### Strengths

- Sugar being an essential commodity will always be in demand.
- The industry helps rural communities by providing employment opportunities.
- There is availability of abundant arable land in the Country.
- Sugarcane crop is one of the most lucrative cash crops in India.

##### Weaknesses

- The Country's production is highly reliant on monsoon.
- Sugar industry is a highly capital-intensive industry.
- Highly government regulated Industry.



### Opportunities

- The scope of producing ethanol is immense in India.
- Sugar demand in India is rising because of the growing population and higher downstream demand.

### Threats

- Increased production without exports may result in oversupply in the domestic sugar market.
- Sugarcane prices are affected by the sugar industry's reliance on rainfall, planted acreage and transportation costs.
- Import of sugar at cheaper prices might have an impact on the nation.

Considering the above SWOT analysis of sugar Industry over the time, the Unit has strengthened its manufacturing capabilities through upgradation of technology, providing training, and specialization, thereby improving quality, output, efficiency, and environmental compliance.

DSW's Key Areas of Focus & Strategy are highlighted below:

- Organic growth by increasing cane acreage.
- Cane development for the Company to increase yield and recovery thereby, ensuring optimum Capacity utilization.
- Value addition by exporting refined sugar and tapping institutional markets.
- Manufacturing country liquor instead of selling molasses.
- Continuously optimizing our operations and reducing our energy consumption.
- Development of a talented, diverse team.
- Ensuring backward and forward integration backed by sustainable practices.
- Introducing innovation and new technology.

As part of the above measures in the past, DSW has done major expansions in terms of DRP process in sugar production and distillery capacity enhancement. With refined sugar production, DSW has increased the institutional market share to 30% of total sugar sales.

### Rayons

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

At the beginning of the year, customers indicated good volumes to the Unit, requiring maximum capacity utilisation and the market situation returned to normalcy after 2 years of outbreak of Covid -19. However, with the war in Europe the global recessionary conditions emerged which resulted in the reduction in production by tyre companies. That showed an effect on the Unit due to low offtake during the year, particularly second and third quarter of FY 2022-23. However, the Unit has been continuously working on to improve its market share by seeking approvals from present and prospective customers.

Based on the off take in the fourth quarter of FY 2022-23 and market assessment, the sale is expected to increase next year providing an opportunity to increase capacity utilisation.

Keeping in view of market assessment, the Unit has implemented a rayon capacity expansion project. The project has been delayed due to lock down and movement restrictions due to Covid 19. However, the same has now been implemented in a phased manner.

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

There was huge increase in prices of major raw material due to adverse global demand supply situation. The logistic cost which had gone up substantially due to increase in ocean freight arising out of shortage of empty containers, port congestions and cancellation of vessels in FY 2021-22 showed sign of improvement in FY 22-23.

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

Shriram Rayons implemented energy related projects in previous years to reduce energy cost, including increase in use of agro-fuel and increase in captive generation capacity. Unit started maximising agro fuel consumption and moved towards zero fossil fuel consumption during the year. The Unit maintains offsite husk storage facilities to procure and store husk during the season for use throughout the year.

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

As a result of the above, the Unit has been able to limit the impact of increase in energy prices up to a certain extent. However, energy cost will continue to be a challenge and the unit is adopting more energy conservation measures to control the cost.

Shriram Rayons continued its efforts to reduce, recycle and reuse water and achieved reduction in water consumption.

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

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



# DIRECTORS' REPORT (continued)

## Chemicals

In spite of volatility in the input prices due to increased energy prices all over the World, Company performed very well by continued focus on increasing the sales realization of the end products. In addition, Company improved energy efficiency by enhancing operational efficiencies and cost control.

The Company continued its efforts towards debottlenecking of the capacities and process optimization to capture the market opportunities.

## Financial Ratios

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

Sl. No.	Ratio description	Unit	2021-22	2022-23	Change %	Remarks
1	Debtors turnover	No. of times	9.40	9.46	0.6	-
2	Inventory turnover	No. of times	2.12	2.49	17.5	-
3	Interest coverage ratio	No. of times	4.10	4.78	16.4	-
4	Current ratio	No. of times	1.23	1.18	-4.0	-
5	Debt equity ratio	No. of times	0.83	0.70	-15.1	-
6	Operating profit margin	%	7.69	6.74	-12.3	-
7	Net profit margin	%	3.06	2.54	-16.9	-
8	Return on Net worth	%	10.32	8.28	-19.8	-

## Material Development in human resources/ industrial relations front

The Company's HR philosophy assumes that a dedicated, enlightened, and contented work force is the lifeline for any business to achieve its goals. Strength of an 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. The effort always has been to induct fresh and youthful talents at various disciplines with a long term perspective. The Company believes in and take care of needs of the work force, being one of the pillars of the organization.

The Company has successfully implemented SAP HANA system linking all its Units/ Divisions and offices. The employees handling the new system have been adequately trained and have become familiar with its operations. With the introduction of SAP, flow and accuracy of data have improved substantially resulting in better efficiency particularly in the accounts and finance functions.

Industrial relations remained cordial in all operations during the year. As on 31.03.2023, the total number of employees on the Company's pay roll was 2367.

Corporate Social Responsibility has always been integral to the business policy of the Company. The Company undertakes/ supports several activities in and around the areas where its operations are located to ensure that the benefit from the expenditure on CSR activities reach the maximum people in those areas. The programmes cover activities laid down under Schedule VII of the Companies Act, 2013. In the year 2022-23 the Company has spent Rs.192.78 lakh.

## Environment protection

Our moto is green, breath clean, stop polluting the environment and save our planet. These are also the universal voice at a time climate change is staring at the face of the planet. The Company gives utmost importance to environment protection in and around the areas, where it operates. Apart from installing state of the art effluent treatment and waste disposal plants the Company gives special attention to tree plantation at Daurala and Kota, aiming at improving quality of air in the area and also addressing greenhouse emissions. The emphasis continues to be on using environment friendly agrofuels for power generation in place of fossil fuels.

The shift from fossil fuel to agro-fuels for power generation has been achieved progressively. DSW has fully discontinued use of coal and Shriram Rayons continue to use agrowaste fuels in place of fossil fuels to a large extent. Research and innovation are ongoing activities in the Company to find solutions to minimize emissions from its operations and to remain environment friendly.



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FOR THE F.Y. 2022-23**

**SECTION A: GENERAL DISCLOSURES**

**I. Details of the listed entity**

1. **Corporate Identity Number (CIN) of the Listed Entity** - L74899DL1989PLC035140
2. **Name of the Listed Entity** - DCM Shriram Industries Ltd.
3. **Year of incorporation** - 21.02.1989
4. **Registered office address** - Kanchenjunga Building, Barakhamba Road, New Delhi- 110001.
5. **Corporate address** - Kanchenjunga Building, Barakhamba Road, New Delhi- 110001.
6. **E-mail** - dsil@dcmr.com
7. **Telephone** - 011- 43745000
8. **Website** - www.dcmr.com
9. **Financial year for which reporting is being done** - 2022-23
10. **Name of the Stock Exchange(s) where shares are listed** - Bombay Stock Exchange (BSE) and National Stock Exchange (NSE)
11. **Paid-up Capital** - INR17.39 Crores
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report** - Ms. Anjali Narula, Assistant Manager, Tel: 011-43745072, email- anjalinarula@dcmr.com
13. **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).** Standalone basis

**II. Products/services**

**14. Details of business activities (accounting for 90% of the turnover)**

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	<b>Sugar &amp; Distillery</b>	Manufacture of all types of sugar and alcohol including ethanol, sugarcane research farm, manufacture of IMFL, Bio-Methanation, manufacture of aromatic chemicals, co-generation of power etc.	61%
2	<b>Rayons &amp; Nylons</b>	Production of Industrial Fibre (Rayon Tyre Yarn, Cord and Fabric/chafer for tyres) and other industrial applications including stitching cord, reinforcing materials for V-Belts etc. The plant also produces chemicals such as Carbon Disulphide, Anhydrous Sodium Sulphate.	20%
3	<b>Organic Chemicals</b>	Manufacturing of Fine Chemicals used in Pharma, Agrochemicals, Fragrance/Perfumery, Dyes/Paints/Coatings, etc.	19%

**15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Sugar*	1072	61%
2	Industrial Fibres & related products	1399/13999	20%
3	Chemicals	2011/20119	19%

\* Comprising of sugar, power and alcohol

Note: Units Daurala Sugar Works (DSW), Shriram Rayons (SR), Daurala Organics & Daurala Chemicals Industries (DO) and Engineering Project Section (EPS).




## DIRECTORS' REPORT (continued)

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3	7	10
International	0	0	0

#### 17. Markets served by the entity:

a. Number of locations	
Locations	Number
National (No. of States)	28 (+6 Union Territories)
International (No. of Countries)	European Countries, China, Japan, Asia, US, etc.

#### b. What is the contribution of exports as a percentage of the total turnover of the entity?

20.60%

#### c. A brief on types of customers

DCM Shriram caters to two kinds of customers through its various businesses:

Business-to Business (B2B)

Business-to-Consumer (B2C)

### IV. Employees

#### 18. Details as at the end of Financial Year:

##### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1147	1112	97%	35	3%
2.	Other than Permanent (E)	3	3	100%	0	-
3.	<b>Total employees (D + E)</b>	1150	1115	97%	35	3%
<b>WORKERS</b>						
4.	Permanent (F)	1300	1300	100%	0	-
5.	Other than Permanent (G)	1224	1214	99%	10	-
6.	<b>Total workers (F + G)</b>	2524	2514	100%	10	-

##### b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)					
2.	Other than Permanent (E)					
3.	<b>Total differently abled employees (D + E)</b>					
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)					
5.	Other than permanent (G)					
6.	<b>Total differently abled workers (F + G)</b>					



**19. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	3	25%
Key Management Personnel	3	0	0%

**20. Turnover rate for permanent employees and workers  
(Disclose trends for the past 3 years)**

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10.84%	6.90%	17.74%	6.73%	7.14%	13.87%	6.93%	0	6.93%
Permanent Workers	2.17%	0	2.17%	2.25%	0	2.25%	3.92%	0	3.92%

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**
**21. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding /subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Daurala Foods & Beverages Private Limited	Subsidiary	100%	NO
2	DCM Shriram Fine Chemicals Limited	Subsidiary	100%	NO
3	DCM Shriram International Limited	Subsidiary	100%	NO
4	DCM Hyundai Limited	Associate	49.28%	NO

**VI. CSR Details**

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii) Turnover (in Rs.)	21,231,182,235
(iii) Net worth (in Rs.)	6,543,761,221





## DIRECTORS' REPORT (continued)

### VII. Transparency and Disclosures Compliances

#### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	Nil	0	0	Nil
Investors (other than shareholders)		0	0	Nil	0	0	Nil
Shareholders		7	0	Nil	11	1	One complaint pending in the last quarter, was resolved after the close of FY 2021-22.
Employees and workers		0	0	Nil	0	0	Nil
Customers		0	0	Nil	0	0	Nil
Value Chain Partners		0	0	Nil	0	0	Nil
Other (please specify)		-	-	-	-	-	-

Every Stakeholders group has been provided with a grievance redressal platform, details of which are present on the Company's website.

#### Investors & Shareholders

Investors and shareholders have been provided with a grievance redressal platform, details of which are present on the Company's website under Investor Grievance Section. They also have access to the Company Secretary and Vice President of the Company through dedicated emails and contact details to report any concerns or grievances.

#### Employees and Workers

The Company has adopted a Whistle Blower Policy that provided a mechanism for employees, including both full-time, part-time employees and contractual workers to report any concerns or grievances. The policy aims to ensure that genuine complainants are able to raise their concerns in full confidence, without any fear of retaliation or victimization and also allows for anonymous reporting of complaint. Systems are also in place at the factories wherein workers can seek redressal of any grievances.



**24. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Cyber Security / Technology/ Information Security	R	Risk of data loss, information security and privacy breach can lead to accidental exposure of confidential information	The Company has implemented information security controls and processes to mitigate any internal or external threats such as firewall with anti-virus, encrypted VPN, etc.	Negative
2	External Environment: Implications of Govt. Policies changes in agri sector	R	With dynamically evolving regulation, business such as sugar, chemicals, are exposed to potential non-compliance which result in fines, penalties and adverse impact on our brand reputation.	Periodically monitoring and review changes in regulatory frameworks to ensure compliance.	Negative
3	Health and Safety	O	Several initiatives to ensure safety practices that includes certification of sites for ISO 45001 on Occupational Health & Safety standard.	N.A.	Positive
4	Pandemic Risk leading to Business disruption	R	COVID-19 pandemic has emerged as risk of disruption to our business continuity	Each business has taken adequate measures for its employees, customers and visitors through implementation of standard operating procedures in line with the norms prescribed by the Government to support employees.	Negative
5	Compliance to various laws and Listing requirements	R	Frequent amendments to regulations leads to onerous, stringent and complex responsibility	Any new statute, legal requirements or amendments to existing framework are being monitored continuously. Also, engagement of external experts or consultants on need basis.	Negative

*VP*

# DIRECTORS' REPORT (continued)

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1.a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<a href="https://dcmsr.com/company-policies/#company-policies">https://dcmsr.com/company-policies/#company-policies</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	SEDEX	ISO-14001, ISO-45001, FSSC:22000, ISO 9001, KOSHER, HALAL	-	ISO 9001	SMETA 6.0	ISO-14001 Greenco rating Shriram Rayons complies to REACH & ROHS requirements. Product is also certified to DINCERTCO for Biobased Carbon content (falling in highest category having >85% biobased carbon content).	-	-	ISO-9001 Shriram Rayons complies to REACH & ROHS requirements.
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	We comply with the goals and targets (Statutory and Regulatory) as notified by the State and Central authorities	We always emphasize to maintain the specified certifications	-	-	-	FSC certification ISCC+ certification for sustainability	-	-	-
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	Undergoes recertification audits every 3 years for ISO-9001, 14001 & 45001 and other certifications. In addition, also undergoes annual surveillance audits by TUV Nord. There are no issues in these certification audit findings Dincertco certification is valid till Apr'26.								



*Handwritten signature*

**Governance, leadership and oversight**

**7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**

It gives us pleasure to present our 1st Business Responsibility and Sustainability Report (BRSR) for the year 2022-23. This report reflects our commitment and some of our initiatives and practices in pursuit of our long standing commitment to ESG. This report prepared in accordance with the nine principles of 'National Guidelines on Responsible Business Conduct' (NGRBCs), outlines our sustainability performance, which we have strived to achieve backed by the solid foundation of our integral values. It also elucidates our interventions which are aligned to fulfill our commitment towards the UN Sustainable Development Goals (SDGs).

Care for the environment is one of our core focus areas as we continue to contribute in shaping a better future, which is safe, inclusive and sustainable. Furthermore, we have designed business strategies that incorporate social well-being in everything we do. Our responsibility towards our stakeholders is deeply ingrained in our way of doing business since the founding days of the Company. This was evident during the pandemic when many of our employees came at the forefront to volunteer in COVID relief measures for the larger community. To augment government efforts, we initiated production of sanitizers at our distillery units and accelerated the production of disinfectants at our manufacturing sites, to support government agencies, hospitals, NGOs and communities at large.

<b>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b>	Board of Directors
<b>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</b>	The Board has constituted a 'Risk management Committee' which will be assigned the responsibility of overseeing the Business Responsibility & Sustainability Reporting.

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Annually								

<b>11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</b>	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	No.								

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									




# DIRECTORS' REPORT (continued)

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

### Essential Indicators

#### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	Companies Act, 2013, CSR & Financial Reporting, Operations of Shriram Rayons Plant explained in detail, live demonstration of ZEBU, the Light Bullet Proof Vehicle and a Drone	100%
Key Managerial Personnel	1	Code of Conduct, Whistle Blower Policy, Prevention of Sexual Harassment (POSH) Policy	100%
Employees other than BoD and KMPs	Refer Table A attached below		
Workers	Refer Table B attached below		

Table A

Topics	Session	Total Participants	%age of persons in respective category covered by the awareness programmes
7 Q. C. Tools	1	29	13
AIGA – VDA (PFMEA) POTENTIAL FAILURE MODE & EFFECT ANALYSIS	1	15	7
Awareness about the Quality Circle	1	23	10
Awareness session on Sustainability & G. H. G. Emission	1	28	12
Basic Computer Training	1	15	7
Computer Skills - MS Office (Excel, Word & Power Point)	1	18	8
Energy Management System (ISO 50001)	1	17	7
Finance for Non Finance	1	2	1
Goal setting & Income tax declaration details in HRMS	1	42	18
HRIS, Goal setting & Income tax declaration details in HRMS	1	33	14
HRMS Training for Investment proof documents submission	1	17	7
ISO 20400:2017 (Sustainable procurement requirement in Supply chain)	1	20	9
ISO 9001:2015 Refresher / Awareness	1	20	9
Kick off & Awareness session of IATF 16949	1	70	31



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Online Training on Balancing Priorities	1	3	1
Online training on Mentoring: Specialized Training for Mentors	1	2	1
Online Training on Prevention of Sexual Harrassment	1	14	6
Product Safety and Conformity Representative (PSCR) Training	1	2	1
Safety	7	127	56
Shift Schedule preparation, correction & uploading in HRMS	1	22	10
Stress busting and Team Building	1	36	16
Supervisory Development	1	29	13
Training on Advance Excel	1	5	2
Tyre Technology & Product Performance Requirement	1	20	9
Wellness through Stress Management	1	38	17
Daurala Sugar Works	48	7	48
<b>Corporate Office</b> -Individual Financial Planning for employees, Understanding Mentoring, Diff. between mentoring and coaching, Purpose, challenges, change in role, the character of effective mentor, skills required, focus on communication process and related Advance Excel, Finance for Non-fianance, Lean Methodology, The new wage regime Exploring - The Code on Wages, 2019 II. Breach, Prevention & response colloquium (Cyber Security),Smart Manager,Essential Leadership Skill, Emotional Literacy, Balancing Priority, Advance Excel & VBA, Macros	12	-	100
<b>EPS</b> - Human Rights/ Sexual Harassment/ Business Development	3	-	100
<b>DO</b> - Electro-Static/ Basic Electrical Safety, Fire Fighting, First Aid and Ergonomic Hazard, TFS, Process Safety, Behaviour Based Safety, Machinery Guarding, Hygiene and Communicable Disease,Chemical Compatibility,Whistle Blower and Labour Laws,Code of Business Conduct and Ethics,Prevention & Control of Dust Explosion, Work Permit	14	-	88
<b>DO</b> - Delhi Office Training Operation of Fire Extinguisher,Training on Self Defence for Women,Excel Training - 2 days,Training on Fire Aid,Wellness and Healthy Eating, Awareness Session World Environment Day,Workshop on Posh,Advanced Excel Training ( 2 days),International Yoga Day ,Fire Safety Awareness,Monsoon Season- Safety Precaution,Hybrid Chair, Yoga,Stress Management, Yoga Session(incl. Zumba), Celebrating World Heart Day, Cancer Awareness Day,Yoga(Incl. Meditation), Refresher Excel - Basic and Avanced- 2 days.	23	-	100
<b>Grand Total</b>	<b>131</b>	<b>-</b>	<b>-</b>

**Table B**

Topics	Session	Total Participants	%age of persons in respective category covered by the awareness programmes
5 S Awareness	4	307	44
Adjustment of Fabric roll width on Rerun machine	1	12	2
Bobbin Handling	25	333	48
Defensive Driving & Road Safety awareness	1	15	2
Detail training on PC machine Process & Quality parameters	5	50	7
Detail training on Spinning Process & Quality parameter	1	6	1
Detail training on Textile & Dipping Maintenance activities	2	18	3
Fire Fighting Awareness	2	37	5
General First Aid Awareness	4	68	10




## DIRECTORS' REPORT (continued)

General Information / Safety / First Aid	1	7	1
HR / Safety / 5 S / First Aid Induction	1	17	2
On the Job Training	30	277	40
Online Training on Occupational Safety & Health	1	30	4
<b>Safety</b> - (Plant Safety, Hazardous Waste & Emergency Response Plan)	5	355	51
Spinning Maintenance Activities	5	42	6
Textile Maintenance Activities	11	87	12
Training on Back Winding Process	14	110	16
Training on Rayon Weaving Process & Quality parameters	2	15	2
Daurala Sugar Works	52	6	45
<b>EPS-</b> Human Rights/ Sexual Harassment/Workshop Safety & Security	3	-	100
<b>DO-</b> Electro-Static/ Basic Electrical Safety, Fire Fighting, First Aid and Ergonomic Hazard, TFS, Process Safety, Behaviour Based Safety, Machinery Guarding, Hygiene and Communicable Disease, Chemical Compatibility, Whistle Blower and Labour Laws, Code of Business Conduct and Ethics, Prevention & Control of Dust Explosion, Work Permit	14	-	88
<b>Grand Total</b>	<b>184</b>	<b>-</b>	<b>-</b>

2. **Details of fines/penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format .**

Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Not applicable	NA	Not applicable	Not applicable
Settlement	Nil	Not applicable	NA	Not applicable	Not applicable
Compounding fee	Nil	Not applicable	NA	Not applicable	Not applicable

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Not applicable	Not applicable	Not applicable
Punishment	Nil	Not applicable	Not applicable	Not applicable

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not applicable	

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

The Company has laid down an Anti-Corruption and Anti-Bribery Policy. The Policy is available on Company's website.



5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.  
Nil

#### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
	Nil	

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)  
If Yes, provide details of the same.

Yes, the Company has put in place stringent procedures to avoid any conflicts of interest involving members of the Board. Code of Conduct and Policy on Related Party Transactions are applicable to all Directors on the Board and provides guidelines for avoiding conflict of interest. As per the policy, Board Members and Senior Management Personnel will not involve in a situation in which he/she may have direct/ indirect interest that conflicts with the interest of the Company. In case any such situation arises, the same is required to be disclosed to the Board of directors of the Company for appropriate consideration.

Policy on Related Party Transactions intends to ensure that proper reporting, approval, and disclosure processes are in place for all transactions between the Company and related parties. The Policy disallows the concerned or interested Director to participate in any discussion or approval of contracts or arrangements with related parties.





# DIRECTORS' REPORT (continued)

**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe**

## Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	2022-23	2021-22	Details of improvements in environmental and social impacts
R&D	R & D process done at Units are for process improvement. There is no R&D investments made in the area to improve the environmental and social impacts of product and processes.		
Capex	2.08%	1.30%	Decanter for processing of Sludge & wet scrubber for controlling of SPM level of boiler. Rural Development through ENV Clearance, Upgradation of aeration system for effluent treatment.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)** Yes  
 b. **If yes, what percentage of inputs were sourced sustainably?**  
 Shriram Rayons- 92%  
 Daurala Organics- 23%  
 Daurala Sugar Works- 83%
3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

(a)	<b>Plastic</b>	<b>Shriram Rayons (SR)</b> - Input materials for our customers who in turn finally produce the finished products. Once the products are sold they would not come back to the company. Hence, the Unit is not in a position to reclaim the products.
		<b>Daurala Sugar Works (DSW)</b> - EPR applicable for plastic packaging is being fulfilled as per Plastic Waste Management Rule 2016.
		<b>Daurala Organics (DO)</b> - The unit is engaged in manufacturing of fine chemicals & Agro Chemicals. The samples and packaging materials are disposed to authorised vendors as per authorization.
(b)	<b>E-waste</b>	This is not applicable as the Company is not reclaiming any electronic items. All e-waste generated in-house is handed over to certified vendors for safe disposal.
(c)	<b>Hazardous waste</b>	<b>DSW</b> - Entire hazardous waste generated is being incinerated.
		<b>Shriram Rayons</b> - Not applicable as our products are 100% bio-degradable however in house generation of hazardous waste is handled , stored and disposed by agency authorised by Rajasthan State Pollution Control Board.
		<b>Daurala Organics</b> - The related waste are disposed to authorised vendor as per authorization.
(d)	<b>Other waste</b>	i) Returnable packaging ie. metallic shell rolls are recalled from the customers which are re-used for further supply. ii) We are following the disposal process of other waste (Steel Scrap) in a safe manner.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Daurala Sugar Works- Waste collection plan is in line with EPR plan submitted to Pollution Control Board.

Shriram Rayons- Not Applicable to the Unit, The Unit manufactures products which are intermediate products (input materials) for our customers who in turn finally produce the finished products. Therefore, these products packaging materials becomes pre-consumer waste to our customers who recycle it through certified recyclers.

Daurala Organics- Yes, EPR under Plastic waste management has been taken care and Compliance are being done by the EPR agency.



**Leadership Indicators**

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
13124	High Tenacity Rayon tyre grade Yarn/Cord/Fabric (Greige /Dipped)	95%	Gate to Gate	No	No
2060	Sugar	65%	Gate to gate	Yes, Under process	No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
CS2	Fire and Health hazard	Gas concentration detectors, Use of flame proof lighting and tools are in place.
Sodium Sulphate	Ingestion of large amount may cause health hazards, No significant environmental impact	Use of PPEs in plant

3. Percentage of recycled or reused input material to total material (by value) used in Products (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Not Applicable to our Rayons Unit.		
Daurala Organics- Since our final products are meant for pharma / Agro Chemical Industry, hence, all the input materials are virgin.		

4. Of the products and packaging reclaimed at end of life of products, amount reused, recycled, and safely disposed, as per the following format:

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	1361.7 MT	Under Process by our Organics Unit	Nil	816.99 MT	299 MT
E-waste	Nil	Nil	Under Process by our Organics Unit	Nil	Nil	1.35 MT
Hazardous waste	Nil	1.056 MT	1010 MT	Nil	1.043 MT	1.Waste Oil-2400 Litres 2. Discarded Containers- 249 Nos. pieces 3. ETP Sludge- 884.87 MT 4. Others- 1047 MT
Other waste	1353 Nos.	Nil	Nil	1039 Nos.	Nil	Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
DSW & SR had Nil reclaimed products & their packaging material. Further, DO is meant for pharma/ agro chemical industry, hence all the input materials are virgin.	

# DIRECTORS' REPORT (continued)

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

## Essential Indicators

### 1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	1117	616	55%	1112	100%	0	0	0	0	0	0
Female	30	17	57%	30	100%	17	57%	0	0	0	0
Total	1147	633	55%	1147	100%	17	1%	0	0	0	0
<b>Other than Permanent employees</b>											
Male	3	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	3	0	0	0	0	0	0	0	0	0	0

### b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	1300	523	40%	1300	100%	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	1300	523	40%	1300	100%	0	0	0	0	0	0
<b>Other than Permanent workers</b>											
Male	1214	354	29%	935	77%	0	0	0	0	0	0
Female	10	0	0%	10	100%	0	0	0	0	0	0
Total	1224	354	29%	945	77%	0	0	0	0	0	0

### 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	N.A.	100%	100%	N.A.
ESI	100%	100%	Y	100%	100%	Y

### 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, Most of working locations of the entity are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016



4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

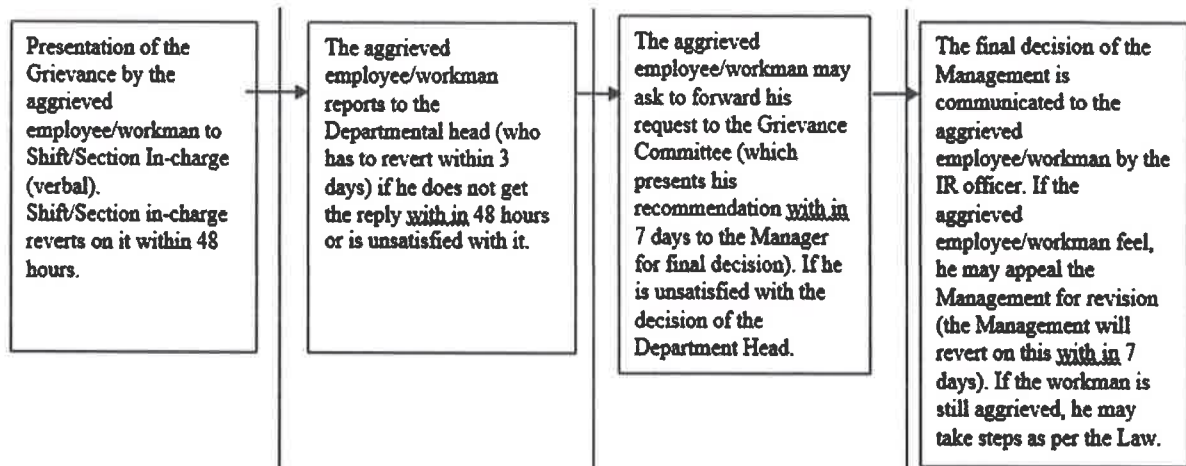
Yes, the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. We don't have any web link as such but follows the regulatory provisions. And to ensure employee has appropriate opportunity , we periodically organize workshops for them.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	N/A			
Female				
Total				

06. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No
Permanent Workers	Yes, as per Grievance Redressal Committee. Flow chart of the process are mentioned below.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	



7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association (s) or Union(D)	% (D /C)
<b>Total Permanent Employees</b>						
Male	780	396	51%	791	375	47%
Female	0	0	0	0	0	0
<b>Total Permanent Workers</b>						
Male	1289	1288	100%	1363	1362	100%
Female	0	0	0	0	0	0

## DIRECTORS' REPORT (continued)

### 8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	1120	1120	100%	1120	100%	1117	1117	100%	1117	100%
Female	30	30	100%	30	100%	28	28	100%	28	100%
<b>Total</b>	<b>1150</b>	<b>1150</b>	<b>100%</b>	<b>1150</b>		<b>1145</b>	<b>1145</b>		<b>1145</b>	
<b>Workers</b>										
Male	2514	2514	100%	2514	100%	2705	2705	100%	2705	100%
Female	10	10	100%	10	100%	12	12	100%	12	100%
<b>Total</b>	<b>2524</b>	<b>2524</b>	<b>100%</b>	<b>2524</b>	<b>100%</b>	<b>2717</b>	<b>2717</b>	<b>100%</b>	<b>2717</b>	<b>100%</b>

### 9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	1120	1120	100%	1117	1117	100%
Female	30	30	100%	28	28	100%
<b>Total</b>	<b>1150</b>	<b>1150</b>	<b>100%</b>	<b>1145</b>	<b>1145</b>	<b>100%</b>
<b>Workers</b>						
Male	2514	2514	100%	2514	2514	100%
Female	10	10	100%	10	10	100%
<b>Total</b>	<b>2524</b>	<b>2524</b>	<b>100%</b>	<b>2524</b>	<b>2524</b>	<b>100%</b>

### 10. Health and safety management system:

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?**

Yes, Coverage: Health & safety policy, safety risk management, safety assurance, statutory compliance, safety promotion, safety education, training & awareness etc. The Safety & Health Management system covers activities across all manufacturing locations, offices, research laboratories and supplychain partners which is in compliance to ISO 45001 Occupational health & safety management system and it ensuring the protection of environment and health & safety of its employees, contractors, visitors and relevant stakeholders.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

As part of implementation of ISO standard, procedures for Hazard Identification and Risk Assessment (HIRA) have been established and implemented within the Plant. HIRA, QRA (Qualitative risk assessment), safety audit, safety inspection, JSA (Job Safety analysis), AIA, HAZOP studies, etc. are conducted for routine and non-routine activities. Work related hazards are identified by people involved in the operations, Security and safety officers and contractor representatives. Adequate Training was provided to the workers by the Supervisor from time to time for identification and its solution.

**c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes, Units has established a robust system of reporting Unsafe Acts and Unsafe Conditions (UAUC), near misses and incident reporting. Workers are encouraged to report UAUC, near miss and incidents and to immediately remove themselves from such risks. Direct report to section incharge or safety officer, routine safety inspections, Safety committee meetings etc.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, Internal Medical Dispensary is maintained, with Doctor & medical staff. Employees and workers have access to Dispensary, also preventive health check up and Wellness programs are offered as part of non-occupational medical and healthcare services.



**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	1.76	1.76
Total recordable work-related injuries	Employees	0	0
	Workers	1	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

- SR has a well defined & managed work permit system.
- Daily Tool Box Talks are conducted for Contract Workmen in the morning.
- Safety Inspection & Audits are conducted on regular basis.
- Central Safety Committee (quarterly) & Departmental Safety Committee meetings (monthly) are organised with workmen representatives.
- Unsafe Conditions & Unsafe actions are captured by Safety department & followed up till resolved.
- Near miss reporting & closure.
- Every dept has its own HIRA & AI.
- Safety Displays & SOP displays in Hindi Language.
- Providing the training and conducting seminars for creating a safe and healthy work place includes Training Operations on Fire Extinguisher, Training on Self Defence for Women, Training on Fire Air, Fire Safety Awareness, Monsoon Season Safety Precautions and 9 trainings on Health which includes multiple sessions on Yoga, Stress management, World Health Heart Day, Cancer Awareness, Wellness and Healthy Eating.
- All the requirements of ISO 14001, ISO 45001 and as per applicable Laws are being followed.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL					
Health & Safety						

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% through Internal assessment and customer audit.
Working Conditions	100% through Internal assessment and customer audit.

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Daurala Sugar Works reported the following observation:

Observation- 1. It was noted during facility tour that 30 out of 150 employees were not found using of safety shoes in milling section, Cane Yard, and boiling section.




## DIRECTORS' REPORT (continued)

Corrective Action- Safety shoes has been provided to the employees working in the identified working station.  
Observation - 2. It was noted during document review that evacuation drill was not conducted in night shift  
Corrective Action- Mock drill has been conducted in Night Shift.

Observation -3. It was noted during facility tour that secondary exit were not provided in central office first floor (around 50 employees working are found on the day of audit) and rest room first floor in periphery area (24 Bed were provided for employees in rest room).

Corrective Action- Secondary exit has been provided in central Office first floor and Rest room.

All the incidents are properly investigated as per defined procedure and corrective actions decided are properly implemented and verified by safety officer. Every Departments has identified high risks activities of its day to day operations. HIRA- Hazard identification & Risk Assessment of all such activities is being done & documented in HIRA register by each department. It is being updated & reviewed regularly.

### Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) workers ((Y/N))

Yes, Through EDLI Policy .

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Yes, we follow all the Statutory norms. The contractors payments are being made on submission of proof of statutory dues (ESI/PF etc.) 25th of next month, challan with payment register has been verified by concerned person of IR Department. Instruction passed to the value chain partners and audit for the same has been conducted by the DSIL.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No.of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil	Nil	Nil	Nil
Workers	1	2	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

There is a penalty clause and if still its not satisfactory and the contractors services can be terminated.

*Handwritten signature*



**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

List Attached

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No, Company provides an Equal Opportunity encouraging diversity in the workplace	Email, Notice Board, Written Internal communication, Company Intranet and Website, Regular updates are put up on our internal social media group, virtual meetings, in house journals.	Important communications and reports are sent on daily basis to all employees	Top-down communication about important changes, policies, well-being initiatives, safety concerns and various engagement activities.
Government & Regulatory bodies	NO	Filing of returns, Physical Meeting at their/our Offices, Through Emails & Letters addressed to Designated Govt officials.	As per the requirements of the Act / Rules or atleast once in six months or normally once in 2 months.	Government Policy on Sugar Export, Monthly Quota & Excise Policy, Legal Compliance & taking advise from them on issues.
Shareholders & Investors	NO	Annual General Meeting, Company's website, Annual Report, Grievance Redressal Mechanism, Email, Newspaper, Notice board.	Quarterly, need basis & Annually.	Improved profitability and growth of organisation, future business plans, transparent and effective communication and Good Corporate Governance practices.
Customers	NO	Sales meet, Emails, Website, Webinars, Newsletter, Fairs and Tradeshows, Customers visit.	Day-to day basis and as & when required.	Quality related issues, business development Promotion and information on Business offerings.
Suppliers, Dealers and Distributors	NO	Email, official meetings, Website, Webinars, Newsletter, Suppliers visit, Fairs and Tradeshows	Need basis	Supply chain Issues, Quality related matters, to understand the new market trends and educating the suppliers.
Farmers	NO	Face to Face Communication, Village meet, Farmers Gosthi, Ganna Patrika, Mediators, calls, SMS	Day-to -day basis and Twice in a year during husk season	Cane Supply, Cane Plantation know-how, adoption of latest technology, Area for Cane Growing. To provide assurance of purchase and to communicate about Quality, timely delivery and payments.
Local Communities	NO	Face to Face Communication or via email or call	Regular / Ongoing process	Local Market issues, Upliftment of socially & economic weaker section of the society and other environmental, health & safety issues.
Civil Society	NO	Community Meetings and Collaboration of various CSR projects	Regular / Ongoing process	Community development such as Education, Women & Child Development, Tribal & Rural areas development, local area hygiene, environment protection, etc.
Industry Associations	NO	Trade fairs, Meetings, Seminars, Workshops, emails or calls	As and when required	Promote the industrial environment and safeguard the interest of employee & employer. To resolve Industry issues i.e Export policy, Molasses Policy.
Media	NO	Newspaper Advertisements, Ganna Patrika, meetings, email, calls, Social Media Platform like LinkedIn, etc.	As and when required	To provide Product list, usage and technical details, Mills performance impact on Local Society. Awareness programme about the industry and development efforts taken by the company.



# DIRECTORS' REPORT (continued)

## Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company management regularly interacts with key stakeholders i.e. customers, suppliers, government bodies, farmers, etc.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, through materiality study, the Company engages with its stakeholders in terms of identifying and prioritising the issues pertaining to economic, environmental and social topics. The Company puts continuous efforts in raising awareness among farmers to utilize water efficiently using best agricultural practices, non-chemical pest control and promoting use of bio-compost. This helps in providing better returns to farming community with increased productivity and water conservation. In addition, it also enhances soil fertility and protects and preserves the environment from undue chemicals.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The Company regularly educates the farmers on good farming practices to produce sugarcane by using less irrigation water through trash mulching, trench planting, press mud application, laser land leveling and in addition using bio-control measures for controlling pests and diseases in sugarcane crop. At the Annual General Meetings, the shareholders are given opportunity to raise issues and the same are analysed and redressed to the extent practicable.

## PRINCIPLE 5 Businesses should respect and promote human rights

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employ- ees/ workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	1147	386	34%	1143	383	34%
Other than permanent	3	3	100%	2	2	100%
<b>Total Employees</b>	<b>1150</b>	<b>389</b>	<b>34%</b>	<b>1145</b>	<b>385</b>	<b>34%</b>
<b>Workers</b>						
Permanent	1300	522	40%	1377	595	43%
Other than permanent	1224	291	24%	1340	296	22%
<b>Total Employees</b>	<b>2524</b>	<b>813</b>	<b>32%</b>	<b>2717</b>	<b>891</b>	<b>33%</b>



2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B /A)	No.(C)	% (C/A)		No.(E)	% (E/D)	No.(F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	1117	0	0	1117	100%	1115	0	0	1115	100%
Female	30	0	0	30	100%	28	0	0	28	100%
<b>Other than permanent</b>										
Male	3	0	0	3	100%	2	0	0	2	100%
Female	0	0	0	0	0	0	0	0	0	0
<b>Workers</b>										
<b>Permanent</b>										
Male	1300	0	0	1300	100%	1377	0	0	1377	100%
Female	0	0	0	0	0	0	0	0	0	0
<b>Other than permanent</b>										
Male	1214	211	17%	1003	83%	1328	217	16%	1111	84%
Female	10	4	40%	6	60%	12	5	42%	7	58%

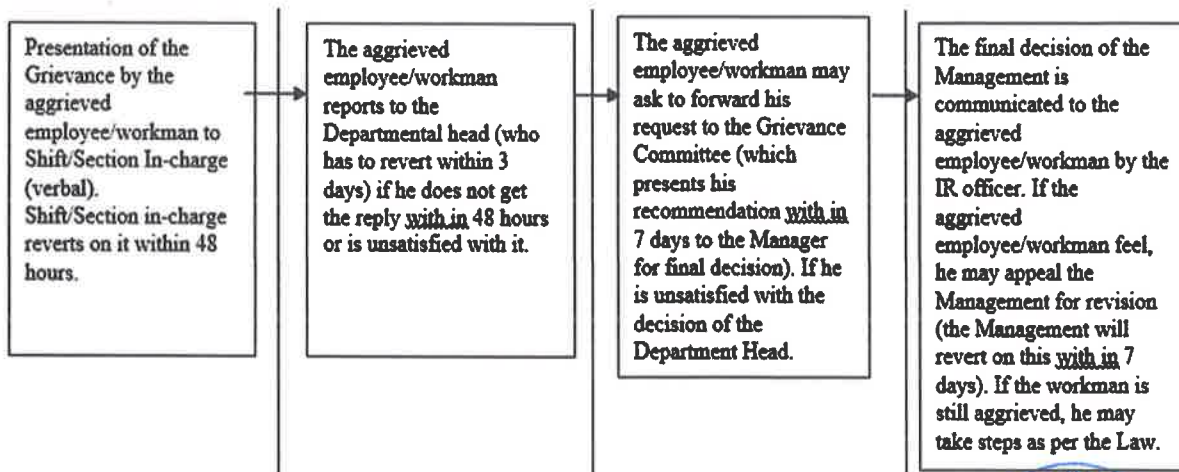
3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	9	2,031,000	3	1,799,000
Key Managerial Personnel	3	7,314,362	0	-
Employees other than BoD and KMP	1123	414,350	35	726,944
Workers	1228	322,900	0	-

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have grievance redressal committee in place and described as follows:



## DIRECTORS' REPORT (continued)

### 6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment			NIL			
Discrimination at workplace						
Child Labour						
Forced Labour/Involuntary Labour						
Wages						
Other human rights related issues						

### 7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has Internal Complaint Committees (ICC) to address any kind of complaint w.r.t., Sexual Harassment. All complaints of sexual harassment will be kept and treated as confidential to the extent practicable under the circumstances. Only those individuals who receive the complaint or are necessarily involved in an investigatory process and in decision regarding resolution of the complaint will ordinarily be provided access to the information regarding the allegation of sexual harassment. All information regarding the sexual harassment will be kept with the Personnel Department.

### 8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

### 9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% through Internal assessment and customer audit.
Forced/involuntary labour	100% through Internal assessment and customer audit.
Sexual harassment	100% through Internal assessment and customer audit.
Discrimination at workplace	100% through Internal assessment and customer audit.
Wages	100% through Internal assessment and customer audit.
Others – please specify	-

### 10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No such concerns has been detected so far.

#### Leadership Indicators

#### 1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

Not Applicable as there was no complaint/grievances related to human rights during the reporting year.

#### 2. Details of the scope and coverage of any Human rights due-diligence conducted.

No such due diligence.

#### 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes



**4. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Others – please specify	-

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

No such concerns has been detected so far.

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

(in MegaJoule)

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	856703912	818613314
Total fuel consumption (B)	8593935	8449551
Energy consumption through other sources (C)	477299304	474409998
<b>Total energy consumption (A+B+C)</b>	<b>1342597151</b>	<b>1301472863</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.06	0.06
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Shriram Rayons- Yes, mandatory energy audit completed by R.K. Online Solution in Oct-Nov 2021. Daurala Organics- Yes Energy Audit was conducted by Wire Consultant. Daurala Sugar Works- No.

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Shriram Rayons- Yes, PAT Cycle IIInd (2018-19) Target was 2.7681 TOE/Tonne and Achieved is 1.1411 TOE/Tonne.

## DIRECTORS' REPORT (continued)

### 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	2104010	2195256
(ii) Groundwater	1258014	1354864
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>3362024</b>	<b>3550120</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>3362024</b>	<b>3550120</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover) KL/Lacs INR</b>	14.30	16.72
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	-	-

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

DO- Yes, Water audit was carried by PHDCCI, in Dec 2021 DSW- Yes, Environmental and Technical Research Centre, Lucknow. SR- No

### 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

DSW- Zero liquid discharge is implemented in Distillery unit. Entire waste water is treated in CPU and re-cycled in process. SR- No as such this policy is not mandatorily required to be implemented in Rajasthan. DO- Not Applicable.

### 5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	mg/nm <sup>3</sup>	33	31
	µg/m <sup>3</sup>	34	31
SOx	mg/nm <sup>3</sup>	10	9
	µg/m <sup>3</sup>	18	16
Particulate matter (PM)	mg/nm <sup>3</sup>	67.54 & 78.51	78.56 & 80.3
	µg/m <sup>3</sup>	35.2(PM 2.5)	41.6 (PM 2.5)
Persistent organic pollutants (POP)	µg/m <sup>3</sup>	<1.0 (Benzene)	<1.0 (Benzene)
Volatile organic compounds (VOC)		NA	NA
Hazardous air pollutants (HAP)		Pb -<0.05 ng/cu.m; CO - 0.71mg/cu.m	Pb -<0.05 ng/cu.m; CO - 0.67mg/cu.m
Others– please specify		NIL	NIL

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes,

DSW- Enviro Tech GZB

SR- Newcon Consultants & Laboratories

DO- Enviro Tech Services



6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	641240	662303
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	21677	25508
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes CO <sub>2</sub> e / Revenue in Lacs INR	0.09	0.12
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Shriram Rayons- TUV India Pvt Ltd. Validated emission data as per ISO 14064 part I. The Unit is participating in CDP- carbon disclosure project.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, Shriram Rayons- The Unit has achieved 173% reduction in FY: 2021-22 for combined GHG emission (Scope 1 & 2) against our project target of 40% Reduction than base year( FY: 2025-26). DSW- CO<sub>2</sub> bottling plant installed to capture the CO<sub>2</sub> gas generated from Distillery fermentation. No such project in DO Unit.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	1425	1711
E-waste (B)	0	711
Bio-medical waste (C)	0.0072	0.009515
Construction and demolition waste (D)	10800	0
Battery waste (E)	1.581	1.235
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	794	888
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	356	497
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>13376.3442</b>	<b>3807.4575</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	2.4	2.4
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
<b>Total</b>	<b>2.4</b>	<b>2.4</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	77561	69881
(ii) Landfilling	13671	14591
(iii) Other disposal operations	Rest are majorly sold	
<b>Total</b>	<b>91232</b>	<b>84472</b>



## DIRECTORS' REPORT (continued)

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

**DSW-** -- Entire waste generated is being treated and utilized to maximum extent. -- All the process chemicals are of food grade category. Separate safe storage and handling is adopted for toxic chemicals. **SR-** -- In Order to reduce generation of hazardous waste, following actions has been initiated- -- Installation of decanter at ETP for handling ETP sludge, this will reduce moisture content in sludge thus reducing the overall quantity. -- Switching to higher capacity carboys in place of smaller for hazardous chemicals thus reducing the hazardous waste generation. **DO-** Authorization and procedure are in place for disposal of various waste generated in facility. Waste generated is disposed to government Authorized vendor.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
None			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
None					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
None				

### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	(in Mega Joule)	
	FY 2022-23	FY 2021-22
<b>From renewable sources</b>		
Total electricity consumption (A)	757744911	703428148
Total fuel consumption (B)	8582252	8387999
Energy consumption through other sources (C)	446312580	433771716
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>1212639743</b>	<b>1145587863</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	97499470	113972476
Total fuel consumption (E)	11683	61552
Energy consumption through other sources (F)	32446255	41850972
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>129957409</b>	<b>155885000</b>



**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, Shriram Rayons has mandatory energy audit completed by R.K. Online Solution in Oct-Nov 2021.

**2. Provide the following details related to water discharged:**

Parameter	FY 2022-23	FY 2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	59089	61374
- No treatment	0	0
_ With treatment-please specify level of treatment	Secondary treatment	Secondary treatment
(ii) To Groundwater	0	0
- No treatment	-	-
_ With treatment-please specify level of treatment	-	-
(iii) To Seawater	0	0
- No treatment	-	-
_ With treatment-please specify level of treatment	-	-
(iv) Sent to third- parties	0	0
- No treatment	-	-
_ With treatment-please specify level of treatment	-	-
(v) Others	1102045	1218229
- No treatment	0	0
_ With treatment-please specify level of treatment	After treatment through ETP for irrigation & Secondary treatment	After treatment through ETP for irrigation & Secondary treatment
<b>Total water discharged (in kilolitres)</b>	<b>1161134</b>	<b>1279603</b>

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes,

DSW- National Sugar institute Kanpur

DO- Adequacy of ETP was carried by AMU, Aligarh.

SR- No

**3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area - Kota ( Rajasthan)
- Nature of operations - Manufacturing of Viscose rayon Tyre cord
- Water withdrawal, consumption and discharge in the following format:



## DIRECTORS' REPORT (continued)

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	2104010	2195256
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>2104010</b>	<b>2195256</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>2121410</b>	<b>2212088</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover) (KL/Lacs in Turnover)</b>	<b>9.02</b>	<b>10.42</b>
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	59089	61374
- No treatment	0	0
_ With treatment-please specify level of treatment	Secondary	Secondary
(ii) Into Groundwater	0	0
- No treatment	0	0
_ With treatment-please specify level of treatment	-	-
(iii) Into Seawater	0	0
- No treatment	0	0
_ With treatment-please specify level of treatment	-	-
(iv) Sent to third-parties	0	0
- No treatment	0	0
_ With treatment-please specify level of treatment	-	-
(v) Others ( Recycle)	17400	16832
- No treatment	0	0
_ With treatment-please specify level of treatment	Secondary	Secondary
<b>Total water discharged (in kilolitres)</b>	<b>76489</b>	<b>78206</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Under evaluation- Mid june	171474
Total Scope 3 emissions per rupee of turnover		Under evaluation- Mid june	0.00003984
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		Under evaluation- Mid june	0.00003984

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, SR- TUV India Pvt Ltd. Validated emission data as per ISO 14064 part I.



5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Effluent - secondary treatment	Rayons plant kota has implemented a secondary treatment process for effluent waste reduction.	Much better effluent water quality in comparison to state norms
2	Decanter - for sludge moister	Installation of Decanter has been done to control and oversee sludge moister.	Ease in ETP sludge handling
3	Wet Scruber	Wet scrubber has been installed at boilers to reduce stack emission	STACK emission reduction from boiler
4	K K filter	DSIL has installed K.K.filter in viscose process which is an lensing continous filters. These has substituted the conventional filters resulting in less effluent.	Fresh water consumption & effluent generation has been reduced
5	100% agro based Fuel usage	Company has remarkably reduced the dependency on non renewable fuel usage and shifted on HUSK for generation of electricity.	Significant reduction in emmission
6	Improvement in Aeration system at Effluent Treatment Plant (ETP)	Installed high effecency aerators for treatment of effluent	Treated effluent meeting the norms as prescribed by pollution control board.
7	High efficiency air pollution control device	High efficient air pollution control device ESP followed by Electro gravel precipitator installed in boiler stack.	Meeting the norms of air emission as prescribed by pollution control board.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes,

Shriram Rayons has Emergency Response Plan in place (as part of ISO 14001) that addresses issues related to disaster management. Daurala Organics- The facility has Business continuity plan and Emergency response plan to respond and mitigate the situation like Fire, release of toxic gases, Spillage of chemicals. Regular drills are conducted as per calander. These drills are also performed in front of Government officials as per statutaory requirement. On site Emergency plan prepared by external Agency and employees participate in Off site emergency drills as and when conducted by Government officials.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

The Company's products are supplied to customer with updated MSDS, and end use does not pose adverse environment impact.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

SR- Approx. 20% Critical Raw Material suppliers have been assessed on ISO-9001, ISO-14001 & ISO-45001 standard implementation & practices. No issues have been found so far.




## DIRECTORS' REPORT (continued)

**PRINCIPLE 7** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

List Attached

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Sugar Mills Association	National
2	U.P Sugar Mills Association	State
3	All India Distillery Association	National
4	Federation of Sweets & Namkeen Manufacturers	National
5	PHD Chamber of Commerce & Industry	North India
6	Confederation of Indian Industry (CII)	National
7	CHEMEXCIL	National
8	Meerut Management Association Pallavpuram Phase-1	State
9	Western U.P. Chamber of Commerce and Industry Meerut	Western India
10	Federation of Indian Chamber of Commerce and Industries (FICCI)	National
11	All India Organisation of Employers' (AIOE)	National
12	Federation of Indian Export Organisations (FIEO)	National
13	All India Management Association (AIMA)	National
14	Indian National Trust for Art and Cultural Heritage (INTACH)	National
15	Delhi Golf Club	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not applicable		

### Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Not applicable					



**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable						

3. **Describe the mechanisms to receive and redress grievances of the community.**

Regular meetings are held with the community leaders & local leaders, our senior officials regularly take part in their functions. There is no grievance against our organisation because society firmly believe that we are committed for their upliftment. Even our efforts during the covid period are not only recognised by the top government official but were also praised by local leaders and community. Through our CSR activities we are committed and successful to bring positive change in standards of school, panchayat house, irrigation systems, hospitals etc.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	7%	8%
Sourced directly from within the district and neighbouring districts	48%	12%

**Leadership Indicators**

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not applicable	Not applicable

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In INR)
None.			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) - NO  
 (b) From which marginalized /vulnerable groups do you procure? N.A.  
 (c) What percentage of total procurement (by value) does it constitute? N.A.




## DIRECTORS' REPORT (continued)

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Promoting health care including preventive health care and sanitation	Not ascertainable	Above 80%
2	Support to education of women / old age / Spl. Able children / library		
3	Empowering Women, Support to Senior Citizens		
4	Environmental Sustainability and protection of flora and fauna		
5	Promotion of national heritage, traditional art/ protection of buildings		
6	Support to War Widows		
7	Promotion of Rural Sports		
8	PMNRF and PM CARES		
9	Rural Develop. project		

### PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

#### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We strictly follow SOP(SOP/PL/09) & MSC (MSC/PL/05/01) for handling the customer complaints & feedback. Physical Test Lab (Dept. Head/Div. Head) is the single point for handling customer communication through marketing team.

Customer complaint or feedback was immediately communicated to all the concerned production & cross functional team for RCA & Quality records. Then RCA & CA identified through brainstorming session with the cross functional team. Accordingly, initial report shared with the customer through marketing about our findings which includes Root cause including 8D format, Corrective action & implementation plan.

The same corrective action implemented within time frame & then final communication done with the customer about effectiveness of the corrective action already implemented within 15 days.

Once we receive the complaint from customer, it is forwarded to technical team and reply sent to customers after discussion with the production / technical team. If need be, video conference or visit is planned to sort out the issue. In case any claim issued, sanction is being taken from the management for the payment of the claim.



2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	0%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	14	2	-	13	-	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.  
<https://dcmsr.com/privacy-policy/>
6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.  
 Not Applicable.

#### Leadership Indicators

- Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).  
The weblink is <https://dcmsr.com/> under the Products Section.
- Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.  
DO- Each and every consignment is accompanied with Material Safety Data Sheet (MSDS).
- Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.  
Communication through mail, if any such situation arises.
- Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)- Not Applicable to the Company.
- Provide the following information relating to data breaches:
  - Number of instances of data breaches along-with impact- None
  - Percentage of data breaches involving personally identifiable information of customers- Not Applicable



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
DCM SHRIRAM INDUSTRIES LIMITED

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of DCM Shriram Industries Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

### Determination of carrying value of inventory of sugar and the related products as at 31 March 2023 (See note 2A(d) and 10 to standalone financial statements)

The key audit matter	How the matter was addressed in our audit
<p>As on 31 March 2023, the Company had an inventory of sugar and related products, i.e., molasses, ethanol, etc., with a carrying value of Rs. 42,480.51 lakhs. The Company produces ethanol at its Distillery unit using a particular type of molasses (B-heavy, a product generated along with sugar).</p> <p>Sugar and B-heavy molasses have been recognised as joint products and the cost of production has been allocated appropriately between these joint products.</p> <p>We considered the determination of carrying value of the inventory (i.e., lower of cost and NRV) of joint products, sugar and B-heavy molasses, as a Key Audit Matter given the relative size in the standalone financial statements and judgement involved in analysing the relevant factors such as basis for classification of B-heavy molasses as a joint product, determination of a reasonable basis for allocation of cost between the joint products in arriving at the cost of inventories and determination of estimated net realizable value, basis minimum sale price, regulatory intervention in determining periodical restrictions on quantity of sales and frequent fluctuations in selling prices, etc.</p>	<ul style="list-style-type: none"><li>We understood the process followed by the management and tested Company's key controls in determination of valuation of closing inventory including for determination of estimated net realizable value of inventory of sugar and allocation of cost between joint products.</li><li>We considered various factors including technical assessment of the management, significance of the products, manufacturing objective in determination of classification of the products as 'joint products'; the relative net realisable value of sugar and B-heavy molasses based alcohol in determination of a basis for allocation of cost between the joint products.</li><li>In respect of estimated net realizable value, we have considered factors of actual selling price prevailing during the year and subsequent to the year end, minimum selling price, and other measures taken by the Government with respect to sugar industry.</li></ul>



**Determination of provision for contingencies and recoverability of reimburseable asset as at 31 March 2023 (see note 16, 27 and 52 to standalone financial statements).**

The key audit matter	How the matter was addressed in our audit
<p>The Company has Indirect tax matters which are subject to ongoing proceedings by tax authorities and involve significant judgement by the management in evaluating the likely outcome. The Company makes an assessment to determine the outcome of these tax positions and decides to make an accrual or consider it to be a possible contingent liability in accordance with the applicable Indian accounting standards.</p> <p>Consequent to introduction of GST with effect from July 1, 2017, there has been ambiguity with regard to chargeability of indirect tax, i.e. UP VAT or GST or any other tax, on certain supplies made by the Company to a customer and, therefore, no tax has been charged on such supplies.</p> <p>Various demands raised by the VAT/ GST authorities are being contested, and have been assessed for creating provision/ disclosure in the standalone financial statements.</p> <p>Reimbursement asset has been recognised based on an undertaking by the customer to indemnify the Company for any liability that may finally arise.</p> <p>The above judgements may change over time based on judicial precedents or amendments to legislation etc. Change in the management's judgements and estimates may significantly affect the recognition of assets and liabilities and disclosures thereof.</p>	<p>We performed the following procedures in this regard:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management's process for monitoring these matters and the process followed to finalise management's judgement of the likely outcome.</li> <li>• Evaluated the design and tested the operating effectiveness of controls around the management's assessment.</li> <li>• Assessed the appropriateness of methods used, reliability of underlying data used for quantification of amounts.</li> <li>• Examined correspondence and obtained independent confirmation from the Company's external legal counsel in order to corroborate our understanding of these matters with respect to the legal determination of liability arising on such matters.</li> <li>• Involved our internal specialists to evaluate management's assessment by reviewing the facts of the case, reasonableness of assumptions and making an assessment of the likely outcome of the matters.</li> <li>• Examined management's assessment including discussions with in house legal team in respect of recoverability of recognized reimbursable asset.</li> <li>• Examined the underlying agreement, indemnity arrangement and the independent confirmation received from the customer as regards the recognition of reimburseable asset.</li> <li>• Evaluated the adequacy of disclosure made with respect to requirements of Ind-AS 37 regarding the matter.</li> </ul>

**Other Information**

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

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

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

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

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






# INDEPENDENT AUDITOR'S REPORT (continued)

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B With respect to the other matters to be included in the 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:
- a) The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 41 and 52 to the standalone financial statements.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023 and.
- d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 59 (v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 59 (vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:  
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

**Kaushal Kishore**  
Partner

Place: New Delhi  
Date: 25 May 2023

Membership No.: 090075  
ICAI UDIN:23090075BGYUKX4905



## INDEPENDENT AUDITOR'S REPORT (continued)

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of DCM Shriram Industries Limited for the year ended 31 March 2023**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. 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, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of the property	Gross block as at March 31, 2023 (Rs. in lakhs)	Held in name of	Whether Promotor, Director or their Relative or employee	Period held	Reason for not being held in the name of the Company
Daurala, Uttar Pradesh – Freehold Land	379.04	DCM Limited	No	Since 1991	Refer Note 51 of the Standalone financial statements
Daurala, Uttar Pradesh – Freehold Land	44.95	Daurala Organics Limited	No	Since 2005	Refer Note 51 of the Standalone financial statements
Kota, Rajasthan -Leasehold Land	465.00	DCM Limited	No	Since 1991	Refer Note 51 of the Standalone financial statements

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms or limited liability partnerships or other parties during the year. The Company has granted unsecured loans to its employees in respect of which the requisite information is as below. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership during the year.



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

Particulars	Loans (Rs. in lakhs)
Aggregate amount during the year Others (Employees)	54.27
Balance outstanding as at balance sheet date Others (Employees)	81.38

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year, and the terms and conditions of the grant of loans, prima facie are not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has complied with the provisions of Sections 73 to 76 or other relevant provisions of the Act and the rules framed thereunder where applicable and the directives issued by the Reserve Bank of India as applicable, with regard to deposits or amounts which are deemed to be deposits. As informed to us, there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this matter and no order has been passed by any of the aforesaid authorities in this regard.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

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

## INDEPENDENT AUDITOR'S REPORT (continued)

Name of the statute	Nature of the dues	Amount (Rs. in lakhs) *	Period to which the amount relates	Forum where dispute is pending	Amount paid under protest (Rs. in lakhs)	Remarks, if any
Income Tax Act, 1961	IncomeTax	1,708.75	2003-06	Income Tax Appellate Tribunal **	1,708.75	
Income Tax Act, 1961	IncomeTax	3,088.74	2018-19	Income Tax Appellate Tribunal	-	
Central Excise Act, 1944	Excise Duty	3.22	1995- 96	CESTAT, Delhi	-	
Central Excise Act, 1944	Excise Duty	20.36	June 2017	Assistant Commissioner (Appeals)	-	
Central Excise Act, 1944	Excise Duty	3.54	June 1998 to February 1996	High Court	-	
Sales Tax Laws	Sales Tax	15.63	2008-09, 2009-10, 2010-11, 2013-14	High Court	-	
GST Act, 2017	GST	1.78	2017-18	Additional Commissioner	1.78	
Sales Tax Laws#	UP VAT and CST	7,017.48	April 2019 to March 2020	Additional Commissioner (Appeals)	701.7	
GST Act, 2017#	GST	29,617.47	July, 2017 to March 2018, 2018-19, 2020-21, 2021-22, April 2022 to September 2022	Joint Commissioner	1,163.47	

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

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

# Refer note 52 of the standalone financial statements.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates. The Company does not have any joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associates. The Company does not have any joint ventures (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.



- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has five CICs as part of the Group as detailed in note 59 to the standalone financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

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

**Kaushal Kishore**  
Partner

Place: New Delhi  
Date: 25 May 2023

Membership No.: 090075  
ICAI UDIN:23090075BGGYUKX4905



# **INDEPENDENT AUDITOR'S REPORT (continued)**

**Annexure B to the Independent Auditor's Report on the standalone financial statements of DCM Shriram Industries Limited for the year ended 31 March 2023**

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

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## **Opinion**

We have audited the internal financial controls with reference to financial statements of DCM Shriram Industries Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

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

## **Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

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

## **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records



that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

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

**Kaushal Kishore**  
Partner

Membership No.: 090075  
ICAI UDIN:23090075BGYUKX4905

Place: New Delhi  
Date: 25 May 2023

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**DCM SHRIRAM INDUSTRIES LIMITED**  
**Standalone Balance Sheet as at March 31, 2023**

Particulars	Note	As at	
		March 31, 2023 Rs. lakhs	March 31, 2022 Rs. lakhs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	59,250.32	54,540.25
Capital work-in progress	3	220.61	3,256.06
Right-of-use assets	40	1,313.15	1,549.85
Intangible assets	4	238.16	323.89
Intangible assets under development	4	-	-
Financial assets			
(i) Investments	5	3,260.51	2,465.62
(ii) Loans	6	62.82	50.02
(iii) Other financial assets	7	539.64	475.99
Income-tax assets (net)	8	1,652.01	1,600.06
Other non-current assets	9	5,405.74	222.11
<b>Total non-current assets</b>		<b>71,942.96</b>	<b>64,483.85</b>
<b>Current assets</b>			
Inventories	10	63,482.91	63,269.61
Financial assets			
(i) Investments	11	2,835.35	990.79
(ii) Trade receivables	12	24,224.22	25,495.06
(iii) Cash and cash equivalents	13	474.45	828.69
(iv) Bank balances other than (iii) above	14	749.01	654.77
(v) Loans	15	19.18	5.79
(vi) Other financial assets	16	26,795.68	15,901.53
Other current assets	17	2,162.88	3,723.17
Asset held for sale	56	33.87	-
<b>Total current assets</b>		<b>1,20,777.55</b>	<b>1,10,869.41</b>
<b>TOTAL ASSETS</b>		<b>1,92,720.51</b>	<b>1,75,353.26</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	18	1,739.84	1,739.84
Other equity	19	68,181.04	63,697.77
<b>Total equity</b>		<b>69,920.88</b>	<b>65,437.61</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	20	7,331.01	12,901.45
(ii) Lease liabilities	40	1,096.68	1,326.26
(iii) Other financial liabilities	21	5,415.70	94.23
Provisions	22	1,003.95	1,214.93
Deferred tax liabilities (net)	38	5,320.27	3,976.44
Other non-current liabilities	23	58.85	51.08
<b>Total non-current liabilities</b>		<b>20,226.46</b>	<b>19,564.39</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	24	41,863.91	41,318.52
(ii) Lease liabilities	40	436.22	451.40
(iii) Trade payables	25		
- Total outstanding dues of micro enterprises and small enterprises; and		1,215.71	1,263.91
- Total outstanding dues of creditors other than micro enterprises and small enterprises		26,258.86	25,325.40
(iii) Other financial liabilities	26	4,243.27	3,237.29
Other current liabilities	27	1,549.09	2,368.60
Provisions	28	27,006.11	16,386.13
<b>Total current liabilities</b>		<b>1,02,573.17</b>	<b>90,351.26</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,92,720.51</b>	<b>1,75,353.26</b>
<b>Significant Accounting Policies</b>	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 : May 25, 2023

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

Vineet Manaktala  
Director Finance & Chief Financial Officer  
DIN: 09145644

Alok B. Shriram  
Sr. Managing Director  
DIN: 00203808

Y.D. Gupta  
Vice President & Company Secretary  
Place : New Delhi  
Date : May 25, 2023

S.B Mathur  
Chairman  
DIN: 00013239

Madhav B. Shriram  
Managing Director  
DIN: 00203521

Urvashi Tilakdhar  
Wholetime Director  
DIN: 00294265



**DCM SHRIRAM INDUSTRIES LIMITED**  
**Statement of Standalone Profit and Loss for the year ended March 31, 2023**



Particulars	Note	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Revenue from operations	29	2,35,092.47	2,12,311.82
Other income	30	1,688.50	2,276.26
<b>Total Income</b>		<b>2,36,780.97</b>	<b>2,14,588.08</b>
<b>Expenses</b>			
Cost of materials consumed	31	1,30,589.30	1,17,860.64
Purchase of traded goods	32	24,148.52	19,479.66
Changes in inventories of finished goods and work-in-progress	33	3,366.21	(67.26)
Employee benefits expense	34	18,637.52	16,522.29
Finance costs	35	3,341.81	4,021.18
Depreciation and amortisation expense	36	3,588.52	3,274.84
Other expenses	37	44,078.72	44,295.51
<b>Total expenses</b>		<b>2,27,750.60</b>	<b>2,05,386.86</b>
<b>Profit before tax</b>		<b>9,030.37</b>	<b>9,201.22</b>
<b>Tax expense</b>			
Current tax	38	2,243.73	2,137.36
Deferred tax	38	760.60	490.28
		<b>3,004.33</b>	<b>2,627.64</b>
<b>Profit for the year</b>		<b>6,026.04</b>	<b>6,573.58</b>
<b>Other comprehensive (expense) / income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement (loss) / gain on defined benefit obligation		(365.67)	279.61
Income tax pertaining to items that will not be reclassified to profit or loss		127.78	(97.71)
<b>Total other comprehensive (expense) / income, net of taxes</b>		<b>(237.89)</b>	<b>181.90</b>
<b>Total comprehensive income for the year, net of taxes</b>		<b>5,788.15</b>	<b>6,755.48</b>
<b>Earnings per equity share of Rs. 2 each- basic/ diluted (Rs.)</b>	43	<b>6.93</b>	<b>7.56</b>
<b>Significant Accounting Policies</b>	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 : May 25, 2023

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

Vineet Manaktala  
Director Finance & Chief Financial Officer  
DIN: 09145644

Alok B. Shriram  
Sr. Managing Director  
DIN: 00203808  
Y.D. Gupta  
Vice President & Company Secretary

Place : New Delhi  
Date : May 25, 2023

S.B Mathur  
Chairman  
DIN: 00013239

Madhav B. Shriram  
Managing Director  
DIN: 00203521

Urvashi Tilakdhar  
Wholetime Director  
DIN: 00294265



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**DCM SHRIRAM INDUSTRIES LIMITED**  
**Statement of Standalone Changes in Equity for the year ended March 31, 2023**

**A. Equity share capital**

Particulars	(Rs.lakhs)
<b>Balance as at April 1, 2021</b>	1,739.84
Changes in equity share capital during the year ended March 31, 2022	-
<b>Balance as at March 31, 2022</b>	<b>1,739.84</b>
Changes in equity share capital during the year ended March 31, 2023	-
<b>Balance as at March 31, 2023</b>	<b>1,739.84</b>

**B. Other equity**

(Rs.lakhs)

Particulars	Reserve and surplus					Total
	Amalgamation reserve	General reserve	Capital redemption reserve	Securities Premium	Retained Earnings	
<b>Balance as at April 1, 2021</b>	1,411.38	13,465.60	0.10	3,406.68	39,963.40	58,247.16
Profit for the year	-	-	-	-	6,573.59	6,573.59
Other comprehensive income for the year net of tax	-	-	-	-	181.90	181.90
<b>Transactions with shareholders, recorded directly in equity</b>						
<b>Distribution to shareholders</b>						
Final dividend on equity shares (Rs. 2.5 per equity share of Rs. 10 each)	-	-	-	-	(434.96)	(434.96)
Interim dividend on equity shares (Rs. 1 per equity share of Rs.2 each)	-	-	-	-	(869.92)	(869.92)
<b>Balance as at March 31, 2022</b>	1,411.38	13,465.60	0.10	3,406.68	45,414.01	63,697.77
<b>Balance as at April 1, 2022</b>	1,411.38	13,465.60	0.10	3,406.68	45,414.01	63,697.77
Profit for the year	-	-	-	-	6,026.04	6,026.04
Other comprehensive (expense) for the year net of tax	-	-	-	-	(237.89)	(237.89)
<b>Transactions with shareholders, recorded directly in equity</b>						
<b>Distribution to shareholders</b>						
Final dividend on equity shares (Rs. 0.5 per equity share of Rs. 2 each)	-	-	-	-	(434.96)	(434.96)
Interim dividend on equity shares (Rs. 1 per equity share of Rs.2 each)	-	-	-	-	(869.92)	(869.92)
<b>Balance as at March 31, 2023</b>	1,411.38	13,465.60	0.10	3,406.68	49,897.28	68,181.04

**Nature and purpose of reserve**

**a. Amalgamation reserve**

Amalgamation reserve had been created on amalgamation of Daurala Organics Limited with the Company.

**b. General reserve**

Profits earned by the Company are transferred to General reserve as decided

**c. Capital redemption reserve**

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

**d. Securities premium**

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

**e. Retained earnings**

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

**Significant Accounting Policies**

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

2A

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 : May 25, 2023

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

Vineet Manaktala  
 Director Finance & Chief Financial Officer  
 DIN: 09145644

Alok B. Shriram  
 Sr. Managing Director  
 DIN: 00203808

Y.D. Gupta  
 Vice President & Company Secretary  
 Place : New Delhi  
 Date : May 25, 2023

S.B Mathur  
 Chairman  
 DIN: 00013239

Madhav B. Shriram  
 Managing Director  
 DIN: 00203521

Urvashi Tilakdhar  
 Wholetime Director  
 DIN: 00294265

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## Standalone Statement of Cash Flow for the year ended March 31, 2023



	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	9,030.37	9,201.22
Adjustments for :		
Depreciation and amortisation	3,588.52	3,274.84
Finance costs	3,341.81	4,021.18
Interest income	(44.92)	(45.73)
Interest received against subvention	(290.81)	(299.58)
Profit on sale of property, plant and equipment / discarded assets (net)	(16.38)	(168.72)
Provisions/liabilities no longer required written back	(342.20)	(603.54)
Bad debts and advances written off	10.10	-
Profit on sale of current investments	(43.98)	(27.81)
Net gain on fair value of investments	(66.29)	(26.38)
Operating profit before changes in assets and liabilities	<u>15,166.22</u>	<u>15,325.48</u>
Changes in assets and liabilities		
Increase / (Decrease) in trade payables	966.66	(7,487.87)
Increase in financial liabilities	6,529.95	1,191.22
Increase in other liabilities & provisions	9,492.37	4,381.38
Decrease / (Increase) in trade receivables	1,260.74	(5,819.00)
(Increase) / Decrease in inventories	(213.31)	2,762.35
(Increase) in financial assets	(10,969.49)	(2,412.29)
(Increase) in other assets	(3,739.32)	(352.57)
Cash generated from operations	<u>18,493.82</u>	<u>7,588.70</u>
Income tax paid (net)	(1,584.67)	(1,430.50)
Net cash from operating activities ( A )	<u>16,909.15</u>	<u>6,158.20</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on acquisition of items of property, plant and equipments and intangible assets	(4,955.00)	(12,069.13)
Proceeds from sale of property, plant and equipments and intangible assets	97.39	1,615.25
Investments in mutual fund (net)	(4,403.78)	(200.00)
Advance to wholly owned subsidiary for share capital	(331.61)	(1,670.64)
Investment in equity shares - non current	(133.92)	(180.58)
Investment in equity shares of wholly owned subsidiaries	(329.36)	(1.00)
Proceeds from sale of long term non trade investments	-	490.00
Proceeds from sale of current investments	2,669.48	4,032.98
Investment in bank deposit	(4.98)	-
Changes in other bank balances	(94.23)	560.74
Interest received	37.18	39.14
Net cash used in investing activities ( B )	<u>(7,448.83)</u>	<u>(7,383.24)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	1,351.15	9,025.33
Repayment of long term borrowings	(7,532.17)	(7,128.56)
Proceeds from short term borrowings (net)	1,126.16	3,711.72
Repayments of Lease Liabilities	(449.42)	(400.86)
Finance costs paid (Net of subvention)	(3,017.26)	(3,833.92)
Dividend paid	(1,293.02)	(1,305.88)
Net cash (used in) / from financing activities ( C )	<u>(9,814.56)</u>	<u>67.83</u>
Net decrease in cash and cash equivalents (A+B+C)	<u>(354.24)</u>	<u>(1,157.21)</u>
Cash and cash equivalents at the beginning of the year	<u>828.69</u>	<u>1,985.90</u>
Cash and cash equivalents at the end of the year	<u>474.45</u>	<u>828.69</u>
Component of cash and cash equivalents		
Balances with scheduled banks:		
- Current accounts	457.90	683.39
- Deposit with original maturity of less than three months	-	126.45
Cash in hand	<u>16.55</u>	<u>18.85</u>
Cash and cash equivalents at the close of the year	<u>474.45</u>	<u>828.69</u>



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

(Rs. lakhs)

Particulars	Non-current borrowings*	Current borrowings#	Lease liability	Total
Opening balance as at April 1, 2021	18,853.17	29,861.20	2,173.14	50,887.51
Cash flows during the year	490.27	1,642.41	(580.63)	1,552.05
Non-cash changes due to:				
- Interest expense (net of subvention)	1,472.52	2,069.31	-	3,541.83
- Finance cost on lease liability	-	-	179.77	179.77
- Lease liability recognised	-	-	5.39	5.39
Closing balance as at March 31, 2022	20,815.96	33,572.92	1,777.67	56,166.55
<b>Opening balance as at April 1, 2022</b>	<b>20,815.96</b>	<b>33,572.92</b>	<b>1,777.67</b>	<b>56,166.55</b>
<b>Cash flows during the year</b>	<b>(7,788.42)</b>	<b>(135.15)</b>	<b>(598.01)</b>	<b>(8,521.58)</b>
<b>Non-cash changes due to:</b>				
<b>- Interest expense (net of subvention)</b>	<b>1,641.10</b>	<b>1,261.31</b>	<b>-</b>	<b>2,902.41</b>
<b>- Finance cost on lease liability</b>	<b>-</b>	<b>-</b>	<b>148.59</b>	<b>148.59</b>
<b>- Lease liability reversed</b>	<b>-</b>	<b>-</b>	<b>204.65</b>	<b>204.65</b>
<b>Closing balance as at March 31, 2023</b>	<b>14,668.64</b>	<b>34,699.08</b>	<b>1,532.90</b>	<b>50,900.62</b>

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

# This does not include current maturities of loan term borrowings

**Notes**

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

**Significant Accounting Policies**

2A

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

As per our report of even date attached

**For BSR & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.:  
101248W/W-100022

**Kaushal Kishore**  
Partner  
Membership No.: 090075

Place : New Delhi  
Date : May 25, 2023

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

Vineet Manaktala  
Director Finance & Chief Financial Officer  
DIN: 09145644

Alok B. Shriram  
Sr. Managing Director  
DIN: 00203808  
Y.D. Gupta  
Vice President & Company Secretary  
Place : New Delhi  
Date : May 25, 2023

S.B Mathur  
Chairman  
DIN: 00013239

Madhav B. Shriram  
Managing Director  
DIN: 00203521

Urvashi Tilakdhar  
Wholesale Director  
DIN: 00294265



## 1 Corporate Information

DCM Shriram Industries Limited (the "Company") is a Public Limited Listed Company having CIN L74899DL1989PLC035140 incorporated in India and having its registered office at Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001. The Company is primarily engaged in production and sale of sugar, alcohol, power, chemicals and industrial fibers.

## 2 Basis of preparation of standalone financial statements

### a) Statement of compliance

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

These Standalone Financial Statements of the Company for the year ended March 31, 2023, are approved by the Company's Audit Committee and by the Board of Directors on 25 May 2023.

### b) Functional and presentation currency

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

### c) Basis of measurement

The standalone financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following items:

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

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

### d) Critical accounting estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

## Notes to the Standalone Financial Statements (continued)

In particular, information about significant areas of estimation/ uncertainty and judgements in applying accounting policies that have the most significant effects on the standalone financial statements are included in the following notes:

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

### 2A. Significant accounting policies

#### a) Operating cycle

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

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

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

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

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

- It is expected to be settled in the company's normal operating cycle,
- It is held primarily for the purpose of being traded,
- It is due to be settled within 12 months after the reporting date, or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

#### b) Property, plant and equipment (PPE)

##### (i) Recognition and measurement

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



Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Capital work-in-progress is stated at cost, net of impairment loss, if any.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition and location for their intended use, and the estimated cost of dismantling and removing the items and restoring the site on which they are located. Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

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

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising on disposal of property, plant and equipment is recognized in the Statement of Profit and Loss. Incomes and expenses related to the incidental operations not necessary to bring the item to the location and the condition necessary for it to be capable of operating in the manner intended by Management are recognized in the Statement of Profit and Loss.

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

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

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

**(ii) Subsequent expenditure**

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

**(iii) Depreciation**

Depreciation is provided on a pro-rata basis using the straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013. Assets costing up to Rs. 0.05 lakhs are fully depreciated in the year of purchase. Leasehold improvements are amortised on a straight line basis over the unexpired period of lease. Freehold land and leasehold land are not depreciated.

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



## Notes to the Standalone Financial Statements (continued)

### c) Intangible assets

#### (i) Recognition and initial measurement

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

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

#### (ii) Subsequent expenditure

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

#### (iii) Amortisation

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

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

### d) Inventories

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

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

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

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

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

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

By-products are valued at estimated net realizable value.

### e) Revenue recognition

#### i. Sale of goods

Revenue from sale of goods is recognised at the point in time when control of products is transferred to the customer. Amounts disclosed as revenue are net of returns and allowances, trade discounts and rebates. The Company collects Goods and services tax on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, these are excluded from the revenue. At contract inception, the Company



assesses the goods or services promised in a contract with a customer and identify, as a performance obligation, each promise to transfer to the customer. Revenue from contracts with customers is recognized when control of goods or services are transferred to customers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. The timing of the transfer of control varies depending on individual terms of the sales agreements.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable consideration such as volume discounts, cash discounts etc. as specified in the contract with the customer. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

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

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

#### **ii. Rendering of services**

Revenue from sale of services is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and is recognized in the Statement of Profit and Loss in proportion to the stage of completion of the transaction at the reporting date when the underlying services are performed. Job work is recognized upon full completion of the job work.

#### **iii. Interest and dividend income**

Interest income and expenses are reported on an accrual basis using the effective interest method and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding. Dividends income from investments is recognised when the shareholder's right to receive payment has been established.

Use of significant judgements in revenue recognition:

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

#### **iv. Income from Renewable Energy Certificates (RECs)**

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

## Notes to the Standalone Financial Statements (continued)

### f) Income tax

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

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

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

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

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:
  - temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss at the time of the transaction;
  - temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
  - taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

#### Minimum Alternative Tax (MAT) Credit

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



**g) Employee benefits**

**i) Short-term benefits**

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

**ii) Defined contribution plans**

The defined contribution plans i.e. provident fund (administered through Regional Provident Fund Office), superannuation fund and employee state insurance corporation are post-employment benefit plans under which a Company pays fixed contributions and will have no legal and constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**iii) Defined benefit plans**

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

Gratuity

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

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

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

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

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

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

## Notes to the Standalone Financial Statements (continued)

recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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

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

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

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

#### iv) Other long-term employee benefits

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

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

#### h) Government grants

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

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

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

#### i) Foreign currency transactions and translation

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

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



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

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

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

**j) Impairment of non-financial assets**

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

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

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

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

**k) Provisions and contingent liabilities**

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

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

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



## Notes to the Standalone Financial Statements (continued)

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

The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

### l) Borrowing cost

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

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

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

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

### m) Leases

#### Company as a lessee

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

- a. the contract involves the use of an identified asset
- b. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and the Company has the right to direct the use of the asset.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs etc. Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset



basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. For lease liabilities at the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate. For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

Company as a lessor

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

**n) Earnings per share (EPS)**

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

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

**o) Segment reporting**

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

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

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

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

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





## Notes to the Standalone Financial Statements (continued)

### Segment policies:

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

### p) Financial instruments

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

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

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

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

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

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

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

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

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

#### Initial recognition and measurement

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

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

#### Subsequent measurement

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

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

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

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



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

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

### **Equity investments**

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

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

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

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

### **Impairment of financial assets**

The Company recognizes loss allowances for expected credit losses on:

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

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

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

### **Financial liabilities**

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

### **Offsetting**

Financial assets and financial liabilities are offset and the net amount is presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the

## Notes to the Standalone Financial Statements (continued)

amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

### **Derecognition**

#### *(i) Financial assets*

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

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

#### *(ii) Financial liabilities*

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

#### **q) Cash and cash equivalents**

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

#### **r) Research and development**

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

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

#### **s) Dividend**

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

#### **t) Goods and services tax input credit**

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

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



1. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
2. When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

**u) Assets held for sale**

Non current assets or disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non current assets or disposal groups held for sale are measured at the lower of carrying amount and fair value less cost to sell.

A gain or loss of the non-current asset is recognised at the date of de-recognition. Once classified as held-for-sale, property, plant and equipment are no longer amortised or depreciated.

**2A. Recent Accounting Pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

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

(Rs.lakhs)

Particulars	Freehold land @	Leasehold land @	Leasehold improvement	Buildings*	Plant and equipment	Vehicles	Office equipment	Furniture and fixtures	Total	Capital work-in-progress
<b>Gross carrying amount</b>										
Balance as at April 1, 2021	789.26	465.35	423.56	5,269.34	47,622.06	940.82	705.73	269.88	56,486.00	2,353.41
Add: Additions during the year	-	2,048.84	-	102.77	8,754.81	373.78	748.12	44.80	12,073.14	10,636.45
Less: Disposals/Adjustments/ Capitalised during the year	-	2,048.84	-	15.46	307.37	236.27	79.63	48.87	2,736.44	9,733.80
Balance as at March 31, 2022	789.26	465.35	423.56	5,356.65	56,069.50	1,078.33	1,374.22	265.81	65,822.69	3,256.06
Add: Additions during the year	34.14	-	-	839.67	6,462.32	304.35	222.27	23.66	7,886.41	4,219.78
Less: Disposals/Adjustments/ Capitalised during the year	1.11	-	-	45.25	15.88	95.78	29.46	16.54	204.01	7,255.23
Balance as at March 31, 2023	822.29	465.35	423.56	6,151.07	62,515.94	1,286.90	1,567.03	272.93	73,505.09	220.61
<b>Accumulated depreciation</b>										
Balance as at April 1, 2021	-	-	32.62	951.34	7,187.57	404.81	329.98	115.80	9,022.12	-
Add: Depreciation expense for the year	-	-	46.62	174.50	2,256.83	105.62	150.12	40.03	2,773.72	-
Less: Disposals / adjustments during the year	-	-	-	15.46	224.41	168.67	70.13	34.73	513.40	-
Balance as at March 31, 2022	-	-	79.24	1,110.38	9,219.99	341.76	409.97	121.10	11,282.44	-
Add: Depreciation expense for the year	-	-	46.62	157.45	2,432.73	135.22	254.15	35.31	3,061.48	-
Less: Disposals / adjustments during the year	-	-	0.01	2.72	12.19	49.86	23.82	0.56	89.15	-
Balance as at March 31, 2023	-	-	125.85	1,265.11	11,640.53	427.12	640.30	155.85	14,254.77	-
<b>Net carrying value</b>										
As at March 31, 2023	822.29	465.35	297.71	4,885.96	50,875.40	859.78	926.73	117.08	59,250.32	220.61
As at March 31, 2022	789.26	465.35	344.32	4,246.27	46,849.51	736.57	964.25	144.71	54,540.25	3,256.06

Notes to the Standalone Financial Statements (continued)



**Ageing of Capital Work in Progress is as under:**

(Rs.lakhs)

Capital Work in Progress	Amount in Capital Work in Progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2023</b>					
Projects in progress	220.61	-	-	-	220.61
Projects delayed	-	-	-	-	-
<b>Total</b>	<b>220.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220.61</b>
<b>As at March 31, 2022</b>					
Projects in progress	1,498.08	377.42	113.49	-	1,988.99
Projects delayed*	1,168.49	98.58	-	-	1,267.07
<b>Total</b>	<b>2,666.57</b>	<b>476.00</b>	<b>113.49</b>	<b>-</b>	<b>3,256.06</b>

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

**Details of projects delayed:**

(Rs.lakhs)

Capital Work in Progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2022</b>					
Project-1	762.70	98.58	-	-	861.28
Project-2	405.79	-	-	-	405.79
<b>Total</b>	<b>1,168.49</b>	<b>98.58</b>	<b>-</b>	<b>-</b>	<b>1,267.07</b>

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

\* Includes amount of Rs. 33.87 lakhs (March 31, 2022: Nil) assets held for sale (refer note 56)

**Notes:**

- 1) For contractual commitments with respect to Capital work-in-progress, refer note 41 (B).
- 2) For details on PPE & CWIP mortgaged/charged against borrowings, refer note 53.
- 3) Borrowing cost capitalised during the year Rs. Nil (March 31, 2022- Rs 178.31 lakhs) with a capitalisation rate of Nil (March 31, 2022-3.7% p.a. to 8.6% p.a.)
- 4) Leasehold lands are in the nature of perpetual lease.

**4. Intangible assets and Intangible assets under development**

(Rs.lakhs)

Particulars	Intangible assets- Software	Intangible assets under development
<b>Gross carrying amount</b>		
<b>Balance as at March 31, 2021</b>	278.28	60.97
Add: Additions during the year	268.55	-
Less: Disposals / adjustments / capitalized during the year	-	60.97
<b>Balance as at March 31, 2022</b>	<b>546.83</b>	<b>-</b>
Add: Additions during the year	2.12	-
Less: Disposals / adjustments / capitalized during the year	2.39	-
<b>Balance as at March 31, 2023</b>	<b>546.56</b>	<b>-</b>
<b>Accumulated amortisation</b>		
<b>Balance as at March 31, 2021</b>	179.73	-
Add: Amortisation expense for the year	43.21	-
Less: Disposals / adjustments during the year	-	-
<b>Balance as at March 31, 2022</b>	<b>222.94</b>	<b>-</b>
Add: Amortisation expense for the year	87.83	-
Less: Disposals / adjustments during the year	2.37	-
<b>Balance as at March 31, 2023</b>	<b>308.40</b>	<b>-</b>
<b>Net carrying value</b>		
<b>As at March 31, 2023</b>	<b>238.16</b>	<b>-</b>
As at March 31, 2022	323.89	-

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




## Notes to the Standalone Financial Statements (continued)

### 5. Investments- Non current

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>Investment in equity instruments</b>		
<b>Unquoted equity instruments</b>		
Daurala Co-operative Development Union Limited 2 (March 31, 2022 - 2) equity shares of face value of Rs. 10 each, fully paid up*	0.00	0.00
Zyrone Dynamics Havacilik Danismanlik ve Ar-Ge Sanayi ve Ticaret A.S. 9,797 (March 31, 2022-5,878) equity shares of face value of 1 Turkish Lira each, fully paid up	314.50	180.58
<b>Investment in equity instruments of subsidiaries at cost</b>		
<b>Unquoted equity instruments</b>		
Daurala Foods & Beverages Private Limited 75,00,000 (March 31, 2022 - 75,00,000) equity shares of face value of Rs. 10 each, fully paid up	447.40	447.40
DCM Shriram Fine Chemicals Limited 10,00,00,000 (March 31, 2022-50,000) equity shares of face value of Rs. 2 each, fully paid up	2,000.00	1.00
DCM Shriram International Limited 50,000 (March 31, 2022-Nil) equity shares of face value of Rs. 2 each, fully paid up	1.00	-
<b>Investments in equity instruments of associate at cost</b>		
<b>Unquoted equity instruments</b>		
DCM Hyundai Limited 19,72,000 (March 31, 2022 - 19,72,000) equity shares of face value of Rs. 10 each, fully paid up	166.00	166.00
<b>Sub total</b>	<b>2,928.90</b>	<b>794.98</b>
<b>Advance for share capital</b>		
DCM Shriram Fine Chemicals Limited (Refer note 55)	331.27	1,670.64
DCM Shriram International Limited (Refer note 55)	0.34	-
<b>Sub total</b>	<b>331.61</b>	<b>1,670.64</b>
<b>Total</b>	<b>3,260.51</b>	<b>2,465.62</b>
<b>Aggregate value of non-current unquoted investments</b>	<b>3,260.51</b>	<b>2,465.62</b>
* The investment is valued at Rs.20		

### 6. Loans- Non current

(unsecured, considered good unless otherwise stated)

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Loans to employees	62.82	50.02
<b>Total</b>	<b>62.82</b>	<b>50.02</b>

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



## 7. Other financial assets- Non current

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Security deposits (Unsecured, considered good)		
- To related parties (Refer note 45)	30.98	28.85
- Others	487.74	431.70
Bank deposits held as margin money or security against borrowings, guarantees and other commitments	20.10	15.12
Interest accrued on term deposits	0.82	0.32
<b>Total</b>	<b>539.64</b>	<b>475.99</b>

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

## 8. Income tax assets (net)

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Advance income tax (net of provision)	1,652.01	1,600.06
<b>Total</b>	<b>1,652.01</b>	<b>1,600.06</b>

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

## 9. Other non-current assets

(unsecured, considered good unless otherwise stated)

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>To related parties (Refer note 45)</b>		
Capital advances	24.00	-
<b>To parties other than related parties</b>		
Capital advances	6.17	146.51
<b>Advance other than capital advances</b>		
Deferred rent	3.33	0.35
Government dues paid and recoverable (Refer note 52)	5,309.18	-
Balance with government authorities	4.18	4.18
Other advances	40.06	71.07
Prepaid expenses	18.82	-
<b>Doubtful</b>		
Other advances	-	1.30
	5,405.74	223.41
Less: Loss allowance for other advances	-	1.30
<b>Total</b>	<b>5,405.74</b>	<b>222.11</b>

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

## 10. Inventories

(Valued at lower of cost and net realisable value)

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Raw material*	12,639.17	9,494.16
Work in progress	1,927.85	2,568.58
Finished goods**#	42,019.79	44,745.27
Stores and spares	6,896.10	6,461.60
<b>Total</b>	<b>63,482.91</b>	<b>63,269.61</b>

\* Includes raw material in transit Rs. 828.65 lakhs (March 31, 2022: Rs. 905.26 lakhs)

\*\* Includes finished goods in transit Rs. 1,337.47 lakhs (March 31, 2022: Rs. 1,768.69 lakhs)

# The write-down of inventories to net realisable value during the year amounted to Rs. 445.46 lakhs (March 31, 2022: Rs. 203.45 lakhs)

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

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



## Notes to the Standalone Financial Statements (continued)

### 11. Investments- Current

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>Investment in mutual funds measured at fair value through profit and loss</b>		
<b>Unquoted investment</b>		
23,916.09 (March 31, 2022: 19,784.63) HDFC Liquid Fund – Growth Direct Plan Units of Rs. 1000 each	1057.86	827.94
2,30,362.72 (March 31, 2022: 34,569.62) ICICI Prudential Liquid Fund – Growth Direct Plan Units of Rs. 100 each	767.53	108.98
28,665.21 (March 31, 2022: 1,616.24) SBI Liquid Fund – Growth Direct Plan Units of Rs. 1000 each	1009.96	53.87
<b>Total</b>	<b>2,835.35</b>	<b>990.79</b>
Aggregate amount of unquoted investments	2,835.35	990.79

### 12. Trade receivables

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>To parties other than related parties</b>		
Unsecured, considered good	24,224.22	25,495.06
Unsecured, considered credit impaired	34.97	24.87
	<b>24,259.19</b>	<b>25,519.93</b>
Less : Loss allowance for trade receivables	34.97	24.87
<b>Total</b>	<b>24,224.22</b>	<b>25,495.06</b>

Ageing of trade receivable as on March 31, 2023 is as under:

Particulars	Not due	Outstanding for following periods from due date of payment*					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
- Undisputed Trade Receivables- considered good	23,139.08	988.30	4.82	8.67	7.62	0.70	24,149.19
- Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
- Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
- Disputed Trade Receivables- considered good	-	-	-	75.03	-	-	75.03
- Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
- Disputed Trade Receivables- credit impaired	-	-	-	10.10	-	24.87	34.97
<b>Total</b>	<b>23,139.08</b>	<b>988.30</b>	<b>4.82</b>	<b>93.80</b>	<b>7.62</b>	<b>25.57</b>	<b>24,259.19</b>

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

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

Particulars	Not due	Outstanding for following periods from due date of payment*					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
- Undisputed Trade Receivables- considered good	24,710.90	772.92	5.86	-	3.95	1.43	25,495.06
- Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
- Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
- Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
- Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
- Disputed Trade Receivables- credit impaired	-	-	-	-	-	24.87	24.87
<b>Total</b>	<b>24,710.90</b>	<b>772.92</b>	<b>5.86</b>	<b>-</b>	<b>3.95</b>	<b>26.30</b>	<b>25,519.93</b>

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

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

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



### 13. Cash and cash equivalents

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Balances with banks		
- On current accounts	457.90	683.39
- Deposits with original maturity of less than three months	-	126.45
Cash on hand	16.55	18.85
<b>Total</b>	<b>474.45</b>	<b>828.69</b>

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

### 14. Other bank balances

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Deposits with original maturity of more than three month but upto twelve months		
- earmarked deposits held as margin money or security against borrowings, guarantees and other commitments	538.12	455.74
Earmarked balances with banks – unclaimed dividend accounts	210.89	199.03
<b>Total</b>	<b>749.01</b>	<b>654.77</b>

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

### 15. Loans - Current

*(unsecured, considered good unless otherwise stated)*

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>To parties other than related parties</b>		
Loans to employees (including accrued interest)	18.56	5.73
Others	0.62	0.06
<b>Total</b>	<b>19.18</b>	<b>5.79</b>

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

### 16. Other financial assets - Current

*(unsecured, considered good unless otherwise stated)*

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>To parties other than related parties</b>		
Security deposits	-	0.03
Interest accrued on term deposits	52.66	45.78
Government grant receivable	151.62	181.37
Reimbursement assets (Refer note 52)	26,312.70	15,550.43
Others	278.70	123.92
<b>Total</b>	<b>26,795.68</b>	<b>15,901.53</b>

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

## Notes to the Standalone Financial Statements (continued)

### 17. Other current assets

(unsecured, considered good unless otherwise stated)

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>To parties other than related parties</b>		
Advances to contractors	272.51	561.59
<b>Other advances</b>		
Advance to employees	22.76	16.03
Balance with government authorities	1,049.20	1,355.01
Duty drawback & other incentive receivables	76.07	848.05
Prepaid expense	322.31	365.08
Net defined benefit asset- Gratuity	308.76	503.18
Others	111.27	74.23
<b>Doubtful</b>		
Duty drawback and other incentive receivables	-	22.67
	<b>2,162.88</b>	<b>3,745.84</b>
Less: Loss allowance	-	22.67
<b>Total</b>	<b>2,162.88</b>	<b>3,723.17</b>

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

### 18. Equity share capital

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>a) Authorised</b>		
32,50,00,000 equity shares of Rs. 2 each (March 31, 2022: 32,50,00,000 of Rs. 2 each)	6,500.00	6,500.00
<b>b) Issued, subscribed and fully paid-up</b>		
8,69,92,185 equity shares of Rs. 2 each fully paid-up (March 31, 2022: 8,69,92,185 of Rs. 2 each)	1,739.84	1,739.84

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount Rs. lakhs	Number of shares	Amount Rs. lakhs
<b>Equity shares</b>				
At the commencement of the year	8,69,92,185	1,739.84	1,73,98,437	1,739.84
Adjustment for sub-division of equity shares	-	-	6,95,93,748	-
Add: Shares issued	-	-	-	-
<b>At the end of the year pursuant to sub-division (Refer Note 58)</b>	<b>8,69,92,185</b>	<b>1,739.84</b>	<b>8,69,92,185</b>	<b>1,739.84</b>

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

The Company has one class of equity shares having a par value of Rs. 2 per share (sub-divided during the previous year from Rs. 10 per share- Refer note 58). Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the equity shares held by the shareholder.

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



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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares @ Rs 2 each	% of holding	Number of shares @ Rs.2 each	% of holding
Lily Commercial Private Limited	1,63,21,115	18.76	1,57,51,765	18.11
Versa Trading Limited	1,33,03,540	15.29	1,28,87,910	14.82
HB Portfolio Limited	60,21,756	6.92	62,05,984	7.13
Bantam Enterprises Private Limited	67,84,840	7.80	67,84,840	7.80

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

S. No.	Promoter Name	As at March 31, 2023			As at March 31, 2022		
		Number of shares @ Rs 2 each	% of total shares	% Change during the year	Number of shares @ Rs. 2 each	% of total shares	% Change during the year
1	Lily Commercial Pvt. Ltd.	1,63,21,115	18.76	3.61%	1,57,51,765	18.11	-
2	Versa Trading Private Limited	1,33,03,540	15.29	3.22%	1,28,87,910	14.82	-
3	Bantam Enterprises Pvt Ltd.	67,84,840	7.80	-	67,84,840	7.80	-
4	Hi-Vac Wares Private Limited	39,66,285	4.56	-	39,66,285	4.56	-
5	H. R. Travels Pvt. Ltd.	32,12,900	3.69	-	32,12,900	3.69	-
6	Suman Bansi Dhar	-	-	-100.00%	2,84,060	0.33	-
7	Lala Bansi Dhar & Sons	-	-	-100.00%	2,69,580	0.31	-
8	Madhav B Shriram	-	-	-100.00%	1,88,880	0.22	-
9	Alok B. Shriram	-	-	-100.00%	80,180	0.09	-
10	Urvashi Tilak Dhar	-	-	-100.00%	61,685	0.07	-
11	Kanika Shriram	-	-	-100.00%	47,500	0.05	-
12	DCM Hyundai Limited	-	-	-100.00%	20,865	0.02	-
13	Karuna Shriram	-	-	-100.00%	21,730	0.02	-
14	Rudra Shriram	-	-	-100.00%	10,500	0.01	-
15	Aditi Dhar	500	0.00	-	500	0.00	-
16	Akshay Dhar	500	0.00	-	500	0.00	-
17	Divya Shriram	435	0.00	-	435	0.00	-
	<b>Total</b>	<b>4,35,90,115</b>	<b>50.10</b>	<b>-</b>	<b>4,35,90,115</b>	<b>50.10</b>	<b>-</b>

g) Issue of shares for other than cash:

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

19. Other equity

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>a. Amalgamation reserve</b>		
Balance as at the beginning and at the end of the year	1,411.38	1,411.38
<b>b. General reserve</b>		
Balance as at the beginning and at the end of the year	13,465.60	13,465.60
<b>c. Capital redemption reserve</b>		
Balance as at the beginning and at the end of the year	0.10	0.10
<b>d. Securities Premium</b>		
Balance as at the beginning and at the end of the year	3,406.68	3,406.68
<b>e. Retained earnings</b>		
Balance as at the beginning of the year	45,414.01	39,963.40
Add: Profit for the year	6,026.04	6,573.59
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement of employee benefit obligation, net of tax*	(237.89)	181.90
Less: Appropriations		
Final dividend on equity shares [Dividend per share Rs. 0.5/- per share of nominal value of Rs. 2/- each (March 31, 2022: Rs. 2.50/- per share of nominal value of Rs. 10/- each)]	(434.96)	(434.96)
Interim dividend on equity shares [Dividend per share Rs. 1/- per share of nominal value of Rs. 2/- each (March 31, 2022: Rs. 1/- per share of nominal value of Rs. 2/- each)]	(869.92)	(869.92)
<b>Balance at the end of the year</b>	<b>49,897.28</b>	<b>45,414.01</b>
<b>Total</b>	<b>68,181.04</b>	<b>63,697.77</b>

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




## Notes to the Standalone Financial Statements (continued)

### 20. Borrowings- Non current

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>From related parties (Refer note 45)</b>		
<b>Unsecured loans</b>		
Public Deposits	437.04	437.04
<b>From parties other than related parties</b>		
<b>Secured loans</b>		
Term loans from banks	13,109.57	19,144.24
Term loans from others	469.71	562.74
<b>Unsecured loans</b>		
Public deposits	479.52	503.03
	<u>14,495.84</u>	<u>20,647.05</u>
Less: Current maturities of long term borrowings	7,164.83	7,745.60
<b>Total</b>	<u>7,331.01</u>	<u>12,901.45</u>
<b>Details of current maturities of long term borrowings:</b>		
<b>Secured loans</b>		
Term loans from banks	6,793.10	7,353.96
Term loans from others	115.07	93.03
<b>Unsecured loans</b>		
Public deposits	256.66	298.61
	<u>7,164.83</u>	<u>7,745.60</u>

### A. SECURED LOANS

#### I. From Banks

- a) Nil (March 31,2022: Rs.156.25 lakhs) and Nil (March 31,2022: Rs.66.50 lakhs) were carrying interest linked to 1 year MCLR and secured by a first mortgage and charge on all the immovable and movable properties of the Company excluding all assets of Daurala Organics, a unit of the Company and assets on exclusive charges.
- b) Nil (March 31,2022: Rs.104.07 lakhs) was carrying interest linked to 1 year MCLR and secured by first exclusive charge on specific movable assets of Sugar division of Daurala Sugar Works, a unit of the Company.
- c) Rs.1,356.04 lakhs (March 31,2022: Rs.2,440.87 lakhs) carrying interest of 5% p.a., repayable in 15 monthly instalments, is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.
- d) Rs.267.19 lakhs (March 31,2022: Rs.531.77 lakhs), Rs.180.18 lakhs (March 31,2022: Rs.368.08 lakhs) and Rs.2,076.41 lakhs (March 31,2022: Rs.3,108.77 lakhs) carrying interest linked to lender's 1 year MCLR, repayable in 4, 4 and 8 quarterly instalments respectively, are secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.
- e) Rs.4,338.97 Lakhs (March 31,2022: Rs.3,922.18 Lakhs) carrying interest linked to lender's 1 year MCLR and spread thereon, repayable in 14 quarterly instalments, is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.
- f) Rs.2,941.50 lakhs (March 31,2022: Rs.4,002.76 lakhs) carrying interest of 8% p.a., repayable in 36 monthly instalments, is secured by first pari-passu charge by way of mortgage/hypothecation on all the Fixed Assets of the Company excluding assets on exclusive charges.



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- g) Rs.333.26 lakhs (March 31,2022: Rs.1,666.62 lakhs) and Rs.781.25 lakhs (March 31,2022: Rs.1,406.25 lakhs) carrying interest rate of 8.95% p.a., repayable in 1 and 5 quarterly instalments respectively, are secured by residual pari-passu charge on fixed assets of sugar factory at Daurala Sugar Works, a unit of the Company.
- h) Rs.762.90 lakhs (March 31,2022: Rs.1,370.20 lakhs) carrying interest linked to lender's 1 year MCLR and spread thereon with 50% interest subvention on part of the loan, repayable in 5 quarterly instalments, is secured by first charge on specific movable assets of Distillery division of Daurala Sugar Works, a unit of the Company.
- i) Rs.71.87 Lakhs (March 31,2022: Nil) is secured by hypothecation of specific asset carrying interest of 8.50%, repayable in 57 monthly instalments.

## II. From Others

- a) Rs.445.05 lakhs (March 31,2022: Rs.494.50 lakhs) and Nil (March 31,2022: Rs.28.44 lakhs) carrying interest linked to RBI's Bank rate minus 2%., repayable in 9 half yearly instalments, is/was secured by first pari-passu charge on immovable and movable properties of sugar factory at Daurala Sugar Works, a unit of the Company.
- b) Rs.24.66 lakhs (March 31,2022: Rs.39.80 lakhs) is secured by hypothecation of specific asset carrying interest of 6.63%, repayable in 18 monthly instalments.

## B. UNSECURED LOANS

Rs.916.56 lakhs (March 31,2022: Rs.940.07 lakhs), Deposits from public, carries interest between 9.5% p.a to 10.50% p.a., are currently repayable after 3 years from the date of acceptance of deposits.

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

## 21. Other financial liabilities- Non current

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>From related parties (Refer note 45)</b>		
Interest accrued but not due on borrowings	28.28	16.01
<b>From parties other than related parties</b>		
Interest accrued but not due on borrowings	1.08	14.20
Deposits from contractors and others	10.29	10.22
Due to customer (Refer note 52)	5,331.53	-
Others	44.52	53.80
<b>Total</b>	<u>5,415.70</u>	<u>94.23</u>

## 22. Provisions- Non current

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Provision for employee benefits (Refer note 44)		
- Compensated absences	903.95	1,029.43
- Provident fund trust	-	85.50
Provision for contingencies*	100.00	100.00
<b>Total</b>	<u>1,003.95</u>	<u>1,214.93</u>

\* Provision for contingencies represents the maximum possible exposure on ultimate settlement of issues relating to reorganisation arrangement of the Company. There is no movement in the provision during the year.

## Notes to the Standalone Financial Statements (continued)

### 23. Other non-current liabilities

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Others	58.85	51.08
<b>Total</b>	<b>58.85</b>	<b>51.08</b>

### 24. Borrowings- Current

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>Secured loans</b>		
From banks - loans repayable on demand*	34,699.08	33,572.92
Current maturities of long term borrowings (refer note 20)	7,164.83	7,745.60
<b>Total</b>	<b>41,863.91</b>	<b>41,318.52</b>

\* Secured by first pari-passu charge against the division's current and non-current assets (except reimbursement asset and division's property, plant and equipments), both present and future. Some of these are further secured by way of second pari-passu charge on the divisions's property, plant and equipment. These carry interest rate ranging from 1.25% to 9.50% p.a. (March 31, 2022: 1.15% to 8.05% p.a.). Also refer note 53.

### 25. Trade payables

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Total outstanding dues of micro enterprises and small enterprises*	1,215.71	1,263.91
Total outstanding dues other than micro enterprises and small enterprises#	26,258.86	25,325.40
<b>Total</b>	<b>27,474.57</b>	<b>26,589.31</b>

Ageing of trade payable as on March 31, 2023 is as under :

Particulars	Unbilled dues	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
- MSME	24.82	1,190.89	-	-	-	1,215.71
- Others	1,735.38	23,842.62	676.92	3.94	-	26,258.86
- Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>1,760.20</b>	<b>25,033.51</b>	<b>676.92</b>	<b>3.94</b>	<b>-</b>	<b>27,474.57</b>

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

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

Particulars	Unbilled dues	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
- MSME	-	1,263.91	-	-	-	1,263.91
- Others	1,399.10	23,516.39	239.59	87.54	2.80	25,245.42
- Disputed dues - Others	-	-	-	-	79.98	79.98
<b>Total</b>	<b>1,399.10</b>	<b>24,780.30</b>	<b>239.59</b>	<b>87.54</b>	<b>82.78</b>	<b>26,589.31</b>

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

\* Refer note 49 for Micro and Small Enterprises.

# Includes payable to related parties Rs.113.36 lakhs (March 31, 2022: Rs. 588.10 lakhs), refer note 45.

#### Notes:

a) Includes acceptances Rs. 4,097.96 lakhs (March 31, 2022: Rs. 3,285.60 lakhs).

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



**26. Other financial liabilities- Current**

	As at <u>March 31, 2023</u> Rs. lakhs	As at <u>March 31, 2022</u> Rs. lakhs
<b>From related parties (Refer note 45)</b>		
Interest accrued but not due on borrowings	32.77	16.37
Creditors for capital purchases	-	2.28
Employees related payable	481.67	-
<b>From Parties other than Related Parties</b>		
Creditors for capital purchases	312.51	528.52
Security deposits	476.42	983.76
Interest accrued but not due on borrowings	110.67	114.29
Unclaimed dividends*	210.89	199.03
Unclaimed deposits and interest accrued thereon	-	8.01
Other payables		
- Deposits from contractors and others	600.38	353.45
- Employees related payable	1,954.71	1,006.96
- Others	63.25	24.62
<b>Total</b>	<b>4,243.27</b>	<b>3,237.29</b>

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

**27. Other current liabilities**

	As at <u>March 31, 2023</u> Rs. lakhs	As at <u>March 31, 2022</u> Rs. lakhs
Advances from customers	487.23	504.51
Statutory dues payable	907.03	1,702.33
Others	154.83	161.76
<b>Total</b>	<b>1,549.09</b>	<b>2,368.60</b>

**28. Provision- Current**

	As at <u>March 31, 2023</u> Rs. lakhs	As at <u>March 31, 2022</u> Rs. lakhs
Provision for employee benefits (Refer note 44)		
- Compensated absences	604.37	364.94
- Provident fund trust	89.04	-
Provision for contingencies (Refer note 52)	26,312.70	15,733.25
Others*	-	287.94
<b>Total</b>	<b>27,006.11</b>	<b>16,386.13</b>

\* Expected claims from customer in respect of past sales made and not settled.





## Notes to the Standalone Financial Statements (continued)

### 29. Revenue from operations

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
<b>Sale of products@</b>		
Export	48,434.05	46,438.72
Domestic #	1,78,524.11	1,56,808.06
	<u>2,26,958.16</u>	<u>2,03,246.78</u>
<b>Sale of services@</b>		
Processing charges	5,733.65	5,259.37
<b>Other operating revenue</b>		
Sale of scrap	971.94	1,383.70
Duty draw back, export benefits and other government assistance*	1,057.57	1,254.40
Sale of renewable energy certificates	197.27	996.98
Others	173.88	170.59
<b>Total</b>	<u>2,35,092.47</u>	<u>2,12,311.82</u>

# Includes Rs. Nil (March 31, 2022: Rs.1,356.01 lakhs) in respect of sales made to domestic parties to fulfill export obligation as per Maximum Admissible Export Quantity (MAEQ) Scheme.

\* Refer note 50

@ Refer note 39 for disaggregation of revenue

<b>Contract balances</b>	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Trade receivables (Refer note 12)	24,224.22	25,495.06
<b>Contract liabilities</b>		
Advances from customers (Refer note 27)	487.23	504.51

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

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Contracted price	2,33,126.53	2,08,842.17
Less: Discounts	434.72	336.02
	<u>2,32,691.81</u>	<u>2,08,506.15</u>



**30. Other income**

	For the year ended <u>March 31, 2023</u> Rs. lakhs	For the year ended <u>March 31, 2022</u> Rs. lakhs
Interest income from financial assets measured at amortised cost		
- From deposits with banks	44.56	45.17
- Unwinding of discount on security deposits	0.36	0.56
- Interest subsidy*	290.81	299.58
Provisions/liabilities no longer required, written back	342.20	603.54
Rental income	101.28	54.42
Profit on sale of property, plant and equipment (net)	16.38	168.72
Profit on sale of current investments	43.98	27.81
Net change in fair value of financial assets measured at fair value through profit or loss	66.29	26.38
Gain on foreign exchange fluctuation (net)	676.56	959.01
Miscellaneous income	106.08	91.07
<b>Total</b>	<b>1,688.50</b>	<b>2,276.26</b>

\* Refer note 50.

**31. Cost of material consumed**

	For the year ended <u>March 31, 2023</u> Rs. lakhs	For the year ended <u>March 31, 2022</u> Rs. lakhs
Raw materials at the beginning of the year	9,494.16	13,669.53
Add: Purchases	1,33,734.87	1,13,685.27
	<b>1,43,229.03</b>	<b>1,27,354.80</b>
Less: Raw materials at the end of the year	12,639.73	9,494.16
<b>Total</b>	<b>1,30,589.30</b>	<b>1,17,860.64</b>

**Particulars of materials consumed are as under:**

Sugarcane	82,556.37	78,149.74
Wood pulp	11,145.76	8,715.79
Others	36,887.17	30,995.11
<b>Total</b>	<b>1,30,589.30</b>	<b>1,17,860.64</b>

**32. Purchase of traded goods**

	For the year ended <u>March 31, 2023</u> Rs. lakhs	For the year ended <u>March 31, 2022</u> Rs. lakhs
Grain spirits	24,148.52	19,479.66
<b>Total</b>	<b>24,148.52</b>	<b>19,479.66</b>

## Notes to the Standalone Financial Statements (continued)

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

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
<b>Opening stock</b>		
Finished goods	44,745.27	45,473.42
Work-in-progress	<u>2,568.58</u>	<u>1,773.17</u>
<b>Total</b>	<u>47,313.85</u>	<u>47,246.59</u>
<b>Closing stock</b>		
Finished goods	42,019.79	44,745.27
Work-in-progress	<u>1,927.85</u>	<u>2,568.58</u>
<b>Total</b>	<u>43,947.64</u>	<u>47,313.85</u>
	<u>3,366.21</u>	<u>(67.26)</u>
<b>Particulars of stocks of finished goods and work-in-progress are as under :</b>		
<b>Finished goods</b>		
Sugar	33,913.56	41,001.46
Alcohol	827.24	859.86
Organic/ Fine chemicals	441.20	456.66
Industrial fibers	6,837.79	2,427.30
<b>Total</b>	<u>42,019.79</u>	<u>44,745.28</u>
<b>Work-in-progress</b>		
Sugar	640.74	879.44
Alcohol	194.49	140.73
Organic/ Fine chemicals	518.49	890.98
Industrial fibers	<u>574.13</u>	<u>657.43</u>
<b>Total</b>	<u>1,927.85</u>	<u>2,568.58</u>

### 34. Employee benefits expense

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Salaries, wages and bonus* #	16,274.10	14,821.36
Contribution to provident and other funds*	1,882.42	1,289.79
Staff welfare expenses	<u>481.00</u>	<u>411.14</u>
<b>Total</b>	<u>18,637.52</u>	<u>16,522.29</u>
* Refer note 44		
# Includes payment to contractual labour		

### 35. Finance costs

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Interest expense*#	3,270.97	3,924.58
Other borrowing costs	<u>70.84</u>	<u>96.60</u>
<b>Total</b>	<u>3,341.81</u>	<u>4,021.18</u>
* Refer note 50		
# includes Rs. 148.59 lakhs interest on lease liabilities (March 31,2022:Rs.179.77 lakhs)		

### 36. Depreciation and amortisation expense

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Depreciation on property, plant and equipment	3,061.48	2,773.72
Amortisation on intangible assets	87.83	43.21
Amortisation on right-of-use assets	<u>439.21</u>	<u>457.91</u>
<b>Total</b>	<u>3,588.52</u>	<u>3,274.84</u>



**37. Other expenses**

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Consumption of stores and spares	11,738.42	12,612.13
Power and fuel	11,818.00	11,378.70
Repair and maintenance		
- Buildings	826.46	694.05
- Plant and machinery	5,838.13	6,271.14
Rent (Refer note 40)	62.97	86.30
Payment to auditors		
- Audit fee	59.00	50.00
- Limited review of unaudited financial results	37.50	30.00
- Verification of statements and other records	3.50	2.00
- Out-of-pocket expenses	6.99	4.51
Insurance	314.88	296.69
Rates and taxes	394.52	222.96
Freight and transport	2,221.81	2,791.76
Commission to selling agents	2,655.10	2,232.97
Corporate social responsibility (refer note below)	180.11	183.66
Provision for doubtful export benefits	-	22.67
Provision for doubtful debt	10.10	-
Miscellaneous expense	7,911.23	7,415.97
<b>Total</b>	<b>44,078.72</b>	<b>44,295.51</b>

**Note: Details of corporate social responsibility expenditure**

a) Amount required to be spent by the Company during the year	187.22	188.64
b) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	175.13	183.66
c) Amount unspent*	12.09	4.98

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
<b>d) Nature of CSR activities</b>		
(i) Promoting health care including preventive health and sanitation	22.93	110.91
(ii) Promoting education, including special education and employment	52.62	21.66
(iii) Empowering women and support to senior citizen	3.08	21.00
(iv) Environmental sustainability and conservation of natural resources and maintaining quality of soil, air and water	21.40	2.53
(v) Promotion and development of traditional arts and handicrafts	21.94	5.00
(vi) Measures for the benefit of armed forces veterans and war widows	10.00	0.26
(vii) Training to promote rural sports	5.90	8.30
(viii) Contribution to Prime Minister's National Relief Fund and PM CARES Fund	18.75	9.00
(ix) Rural development project	13.01	-
(x) Amount spent in administrative overhead	5.50	5.00
	<b>175.13</b>	<b>183.66</b>

e) Details of related party transactions in relation to CSR expenditure (Refer note 45)

\* Spent subsequent to the year end



## Notes to the Standalone Financial Statements (continued)

### 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, 2023 and March 31, 2022 are:

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Current tax expense	2,243.73	2,137.36
Deferred tax charge	760.60	490.28
<b>Income tax expense reported in the statement of profit and loss</b>	<b>3,004.33</b>	<b>2,627.64</b>

#### B. Amounts recognised in other comprehensive Income

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
<b>Income tax</b>		
Remeasurement of post employment benefit obligation	127.78	(97.71)
<b>Income tax charged to other comprehensive income/(expense)</b>	<b>127.78</b>	<b>(97.71)</b>

#### C. Reconciliation of effective tax rate #

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2023 and March 31, 2022:

	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Rate	Amount	Rate	Amount
<b>Profit before tax from continuing operations, including OCI</b>	<b>34.94%</b>	<b>8,664.70</b>	<b>34.94%</b>	<b>9,480.83</b>
Tax using the Company's domestic tax rate		3,027.79		3,312.97
Tax effect of:				
Non-deductible expenses	0.73%	62.94	0.51%	48.56
Impact on Deferred Tax due to change in tax rate for future years	-3.10%	(268.86)	-3.95%	(374.03)
Capital loss not expected to be set-off in near future	0.00%	-	-0.77%	(73.38)
Others	0.63%	54.67	-1.99%	(188.78)
<b>Effective tax rate</b>	<b>33.20%</b>	<b>2,876.55</b>	<b>28.75%</b>	<b>2,725.34</b>

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



**D. Deferred tax assets/liabilities**

(Rs. lakhs)

Particulars	Deferred tax assets		Deferred tax liabilities		Net deferred tax assets/ (liabilities)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Accrued expense deductible on payment	261.95	307.15	-	-	261.95	307.15
Provision for gratuity, compensated absences and other employee benefits	419.17	311.42	-	-	419.17	311.42
Loss allowance for trade receivables	12.22	8.69	-	-	12.22	8.69
Loss allowance for other assets	7.48	8.38	-	-	7.48	8.38
Difference in book written down value and tax written down value of property, plant and equipment/ intangible assets	-	-	8,034.11	7,360.11	(8,034.11)	(7,360.11)
Others	144.49	150.35	24.81	6.64	119.68	143.71
	<b>845.31</b>	<b>785.98</b>	<b>8,058.92</b>	<b>7,366.75</b>	<b>(7,213.61)</b>	<b>(6,580.78)</b>
<b>MAT credit entitlement **</b>	<b>1,893.34</b>	<b>2,604.34</b>	<b>-</b>	<b>-</b>	<b>1,893.34</b>	<b>2,604.34</b>
<b>Net Deferred tax liabilities</b>	<b>2,738.65</b>	<b>3,390.32</b>	<b>8,058.92</b>	<b>7,366.75</b>	<b>(5,320.27)</b>	<b>(3,976.44)</b>

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

**E. Movement in temporary differences**

For the year ended 31 March 2023

(Rs.Lakhs)

Particulars	Opening balance	Recognised in statement of Profit & Loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets</b>				
Accrued expense deductible on payment	307.15	(45.20)	-	261.95
Provision for gratuity, compensated absences and other employee benefits	311.42	(20.03)	127.78	419.17
Loss allowance for trade receivables	8.69	3.53	-	12.22
Loss allowance for other assets	8.38	(0.90)	-	7.48
Others	150.35	(5.86)	-	144.49
	<b>785.99</b>	<b>(68.46)</b>	<b>127.78</b>	<b>845.31</b>
<b>Deferred tax liabilities</b>				
Difference in book written down value and tax written down value of property, plant and equipment/ intangible assets	(7,360.11)	(674.00)	-	(8,034.11)
Others	(6.64)	(18.17)	-	(24.81)
	<b>(7,366.75)</b>	<b>(692.17)</b>	<b>-</b>	<b>(8,058.92)</b>
<b>Total</b>	<b>(6,580.76)</b>	<b>(760.63)</b>	<b>127.78</b>	<b>(7,213.61)</b>



## Notes to the Standalone Financial Statements (continued)

For the year ended 31 March 2022

(Rs.Lakhs)

Particulars	Opening balance	Recognised in statement of Profit & Loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets</b>				
Accrued expense deductible on payment	249.41	57.74	-	307.15
Provision for gratuity, compensated absences and other employee benefits	419.08	(9.96)	(97.71)	311.42
Loss allowance for trade receivables	8.69	(0.00)	-	8.69
Loss allowance for other assets	0.45	7.93	-	8.38
Others	170.03	(19.68)	-	150.35
	847.66	36.02	(97.71)	785.99
<b>Deferred tax liabilities</b>				
Difference in book written down value and tax written down value of property, plant and equipment/ intangible assets	(6,819.21)	(540.90)	-	(7,360.11)
Others	(21.24)	14.60	-	(6.64)
	(6,840.45)	(526.30)	-	(7,366.75)
<b>Total</b>	<b>(5,992.79)</b>	<b>(490.28)</b>	<b>(97.71)</b>	<b>(6,580.78)</b>

### F. Availability of MAT Credit is upto:

Financial year	As at March 31, 2023 Rs. lakhs Amount	As at March 31, 2022 Rs. lakhs Amount
2029-30	-	133.33
2030-31	273.41	851.08
2032-33	996.93	996.93
2033-34	623.00	623.00
	<b>1,893.34</b>	<b>2,604.34</b>

### 39. Operating segments

#### A. Basis for segmentation

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

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

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

#### a) Segment revenue and expenses

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

#### b) Segment assets and liabilities

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

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

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



**B. Information about reportable segments**

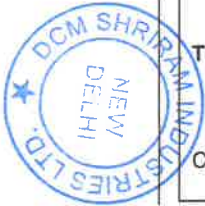
(Rs. lakhs)

Particulars	Reportable segments						Elimination		Total	
	Sugar		Industrial fibres and related products		Chemicals		For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022				
<b>Segment revenue</b>										
- External revenues	1,42,061.35	1,27,525.83	45,122.94	43,040.83	45,507.52	37,939.49	-	-	2,32,691.81	2,08,506.15
- Other operating revenue	831.21	2,288.51	1,269.48	1,154.81	299.97	362.35	-	-	2,400.66	3,805.67
<b>Subtotal</b>	<b>1,42,892.56</b>	<b>1,29,814.34</b>	<b>46,392.42</b>	<b>44,195.64</b>	<b>45,807.49</b>	<b>38,301.85</b>	-	-	<b>2,35,092.47</b>	<b>2,12,311.81</b>
- Other income	234.07	399.15	798.18	846.22	193.54	129.25	-	-	1,225.79	1,374.62
- Unallocable income									462.71	901.64
<b>Total income</b>	<b>1,43,126.63</b>	<b>1,30,213.49</b>	<b>47,190.60</b>	<b>45,041.86</b>	<b>46,001.03</b>	<b>38,431.09</b>	-	-	<b>2,36,780.97</b>	<b>2,14,588.07</b>
<b>Segment results</b>	<b>4,847.69</b>	<b>7,969.88</b>	<b>6,630.08</b>	<b>4,543.46</b>	<b>4,545.06</b>	<b>3,851.26</b>	-	-	<b>16,022.83</b>	<b>16,364.60</b>
Unallocated expenses (net of unallocated income)									3,650.65	3,142.22
<b>Operating profit</b>									<b>12,372.18</b>	<b>13,222.41</b>
Finance costs									3,341.81	4,021.19
<b>Profit before tax</b>									<b>9,030.37</b>	<b>9,201.22</b>
Current tax expense									2,243.73	2,137.36
Deferred tax charge									760.60	490.28
<b>Net profit after tax</b>									<b>6,026.04</b>	<b>6,573.58</b>
Capital expenditure during the year	1,710.07	7,097.76	1,320.33	2,012.49	1,765.46	3,826.00	-	-	4,795.86	12,936.25
Unallocated capital expenditure during the year									57.22	247.19
<b>Total capital expenditure during the year</b>									<b>4,853.08</b>	<b>13,183.44</b>
Depreciation and amortisation	1,358.80	1,052.29	1,051.38	1,033.95	628.10	606.77	-	-	3,038.28	2,693.01
Unallocated depreciation during the year									550.24	581.74
<b>Total depreciation during the year</b>									<b>3,588.52</b>	<b>3,274.74</b>
Non cash expense other than depreciation	2.67	0.20	0.34	54.80	10.80	0.75	-	-	13.81	55.75
Unallocated non cash expense other than depreciation during the year									0.31	7.48
<b>Total non cash expense other than depreciation during the year</b>									<b>14.12</b>	<b>63.23</b>





Particulars	Reportable segments						Elimination		Total	
	Sugar		Industrial fibres and related products		Chemicals					
	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Segment assets	1,09,690.22	1,00,707.85	48,042.55	41,484.86	23,512.22	23,459.52	-	-	1,81,244.99	1,65,652.23
Unallocated assets									11,475.52	9,701.03
<b>Total assets</b>	<b>1,09,690.22</b>	<b>1,00,707.85</b>	<b>48,042.55</b>	<b>41,484.86</b>	<b>23,512.22</b>	<b>23,459.52</b>	<b>-</b>	<b>-</b>	<b>1,92,720.51</b>	<b>1,75,353.26</b>
Segment liabilities	45,512.24	30,985.88	13,424.34	11,010.50	6,346.97	6,047.08	-	-	65,283.55	48,043.46
Share capital and reserves									69,920.88	65,437.61
Unallocated liabilities										
-Borrowings									49,367.73	54,388.81
-Others									8,148.35	7,483.38
<b>Total liabilities</b>	<b>45,512.24</b>	<b>30,985.88</b>	<b>13,424.34</b>	<b>11,010.50</b>	<b>6,346.97</b>	<b>6,047.08</b>	<b>-</b>	<b>-</b>	<b>1,92,720.51</b>	<b>1,75,353.26</b>
Capital employed	64,177.98	69,721.96	34,618.21	30,474.36	17,165.25	17,412.45	-	-	1,15,961.44	1,17,608.78



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

	For the year ended <u>March 31, 2023</u> Rs. lakhs	For the year ended <u>March 31, 2022</u> Rs. lakhs
<b>i Total income</b>		
Total revenue for reportable segments	2,36,318.25	2,13,686.44
<b>Unallocated amounts:</b>		
Revenue for other segments	462.71	901.64
Inter-segment elimination	-	-
<b>Total income</b>	<u>2,36,780.97</u>	<u>2,14,588.08</u>
	For the year ended <u>March 31, 2023</u> Rs. lakhs	For the year ended <u>March 31, 2022</u> Rs. lakhs
<b>ii Profit before tax</b>		
Total profit before tax for reportable segments	16,022.83	16,364.60
<b>Unallocated cost:</b>		
Finance costs	(3,341.81)	(4,021.18)
Other unallocated amounts	(3,650.65)	(3,142.22)
<b>Profit before tax as per statement of profit and loss</b>	<u>9,030.37</u>	<u>9,201.22</u>
	For the year ended <u>March 31, 2023</u> Rs. lakhs	For the year ended <u>March 31, 2022</u> Rs. lakhs
<b>iii Assets</b>		
Total assets for reportable segments	1,81,244.99	1,65,652.23
<b>Unallocated amounts:</b>		
Investments	6,095.86	3,456.41
Corporate assets	5,379.65	6,244.62
<b>Total assets as per the balance sheet</b>	<u>1,92,720.51</u>	<u>1,75,353.26</u>
	For the year ended <u>March 31, 2023</u> Rs. lakhs	For the year ended <u>March 31, 2022</u> Rs. lakhs
<b>iv Liabilities</b>		
Total liabilities for reportable segments	65,283.55	48,043.46
<b>Unallocated amounts:</b>		
Share capital	1,739.84	1,739.84
Reserves and Surplus	68,181.03	63,697.77
Unallocated corporate liabilities	57,516.08	61,872.19
<b>Total liabilities as per the balance sheet</b>	<u>1,92,720.51</u>	<u>1,75,353.26</u>

**D. Geographical information**

The geographical information analysis 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 <u>March 31, 2023</u> Rs. lakhs	For the year ended <u>March 31, 2022</u> Rs. lakhs
<b>i Total income</b>		
<b>(a) India</b>	1,88,346.92	1,68,149.36
<b>(b) Other countries</b>		
Europe	17,784.26	17,221.60
China	17,841.97	12,383.61
Rest of the World	12,807.82	16,833.52
<b>Total (b)</b>	<u>48,434.05</u>	<u>46,438.72</u>
<b>(c) Inter-segment elimination</b>	-	-
<b>Total (a+b+c)</b>	<u>2,36,780.97</u>	<u>2,14,588.08</u>

## Notes to the Standalone Financial Statements (continued)

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
<b>ii Assets</b>		
<b>Non-current segment assets</b>		
(a) India	69,982.20	62,380.60
(b) Outside India		
<b>Total (a+b)</b>	<u>69,982.20</u>	<u>62,380.60</u>

Non-current segment assets includes property, plant and equipments, right-of-use assets, capital work in progress, intangible assets and other non current assets.

### E. Major customer

Revenue from one customer of the Company's sugar segment represented Rs. 37,380.49 lakhs (March 31, 2022: Rs. 15,583.95 lakhs) of the Company's total revenue.

## 40. Leases

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

(Rs. Lakhs)

Particulars	Opening as on April 1, 2022	Additions during the year	Deletions during the year	Depreciation dur- ing the year	Net Carrying amount as at March 31, 2023
Building	1,549.85	348.71	146.20	439.21	1,313.15
	<u>1,549.85</u>	<u>348.71</u>	<u>146.20</u>	<u>439.21</u>	<u>1,313.15</u>

Particulars	Opening as on April 1, 2021	Additions during the year	Deletions during the year	Depreciation dur- ing the year	Net Carrying amount as at March 31, 2022
Building	2,001.58	56.94	50.76	457.91	1,549.85
	<u>2,001.58</u>	<u>56.94</u>	<u>50.76</u>	<u>457.91</u>	<u>1,549.85</u>

The Company incurred Rs. 62.97 lakhs (March 31, 2022: Rs.86.30 lakhs) towards expenses relating to short-term leases and leases of low-value assets.

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

The reconciliation of lease liabilities is as follows:

Particulars	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Opening balance	1,777.66	2,173.14
Additions	350.86	56.76
Deletions	(146.20)	(51.37)
Amount recognised in statement of profit and loss as interest expense	148.59	179.77
Payment of lease liability	(598.01)	(580.64)
<b>Closing balance</b>	<u>1,532.90</u>	<u>1,777.66</u>

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

Particulars	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Within one year	436.22	451.40
Within one-five years	900.56	1,217.79
Above five years	196.12	108.46
<b>Closing balance</b>	<u>1,532.90</u>	<u>1,777.66</u>



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

##### A. Contingent liabilities\*

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Rs. lakhs	Rs. lakhs
Income tax matters	4,797.75	10,548.70
Excise and Service tax matters	28.52	23.58
Claims against the Company not acknowledged as debts (excluding claims by employees, where amount is not ascertainable)	968.08	950.81
Sales tax matters	15.46	15.46
Sugarcane related matters	4,545.26	4,545.26
<b>Total</b>	<b>10,355.07</b>	<b>16,083.81</b>

\* 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

- Capital commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to Rs. 99.42 lakhs (March 31, 2022: Rs. 722.96 lakhs).
- 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. 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), pending since November 2007, has been dismissed as withdrawn in the hearing held on March 07, 2023.

##### 43. Earnings per share

###### Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit 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	For the year ended
		March 31, 2023	March 31, 2022
Profit after tax attributable to equity shareholders	Rs. Lakhs	6,026.04	6,573.59
Weighted average number of equity shares outstanding during the year*	Numbers	8,69,92,185	8,69,92,185
Nominal value per share*	Rs.	2	2
Basic and diluted earnings per share	Rs.	6.93	7.56

\* Refer note 58

#### 44. Employee benefits

##### A. Defined Contribution plans

Rs. 180.88 lakhs (March 31, 2022: Rs. 110.52 lakhs) for provident fund contribution and Rs. 247.35 lakhs (March 31, 2022: Rs. 204.69 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.

## Notes to the Standalone Financial Statements (continued)

The following table sets out the status of gratuity obligation

Particulars	As at	As at
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Net defined benefit asset- Gratuity	(308.76)	(503.18)
Non current	-	-
Current	(308.76)	(503.18)

### (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	For the year ended
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Balance at the beginning of the year	4,114.35	4,086.73
Current service cost	275.83	264.84
Interest cost	297.05	277.90
Actuarial (Gain) on arising from changes in financials assumptions	(44.85)	(117.03)
Actuarial Loss on arising from changes in experience adjustments	195.89	54.61
Benefits paid	(377.79)	(452.70)
<b>Balance at the end of the year</b>	<b>4,460.48</b>	<b>4,114.35</b>

### (ii) Reconciliation of the plan assets

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

Particulars	For the year ended	For the year ended
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Balance at the beginning of the year	4,617.53	4,276.30
Expected return on plan assets	333.38	290.79
Contribution by the Company	15.34	19.22
Benefits paid	(25.49)	(121.63)
Actuarial (losses) / gains recognised in other comprehensive income	(171.52)	152.85
<b>Balance at the end of the year</b>	<b>4,769.24</b>	<b>4,617.53</b>

### (iii) Expense recognized in profit or loss

Particulars	For the year ended	For the year ended
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Current service cost	275.83	264.84
Interest cost	297.05	277.90
Expected return on plan assets	(333.38)	(290.79)
Actuarial losses / (gains) recognised in other comprehensive income	322.56	(215.28)
	<b>562.06</b>	<b>36.67</b>



**(iv) Constitution of plan assets**

Particulars	For the year ended	For the year ended
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
<b>Other than equity, debt, property and bank account</b>		
Funded with Life Insurance Corporation of India*	4,769.24	4,617.53

\* 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	For the year ended
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Actuarial (loss) /gain on plan assets	(171.52)	152.85
Actuarial gain arising from changes in financials assumptions	44.85	117.03
Actuarial (loss) arising from changes in experience adjustments	(195.89)	(54.61)
	<b>(322.56)</b>	215.28

**(vi) Actuarial assumptions**

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

Particulars	As at	As at
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
<b>Financial assumptions</b>		
Discount rate	7.38%	7.22%
Future salary growth	5.00%	5.00%
Rate of return on plan assets	7.22%	6.80%
Expected average remaining working lives of employees (years)	17.33	17.48
<b>Demographic assumptions</b>		
Mortality rate	IALM (2012-14)	IALM (2012-14)
Withdrawal rate	Up to 30 years- 3%	Up to 30 years- 3%
	31 to 44 years- 2%	31 to 44 years- 2%
	Above 44 years- 1%	Above 44 years- 1%
Retirement age	58 years and 60 years	58 years and 60 years

Expected contributions to post-employment benefit plans for the year ending March 31, 2023 are Rs. 221.81 lakhs (March 31, 2022: Rs. 206.64 lakhs).

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

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

## Notes to the Standalone Financial Statements (continued)

### (vii) Sensitivity analysis

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

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

Particulars	For the year ended		For the year ended	
	March 31, 2023		March 31, 2022	
	Rs. lakhs		Rs. lakhs	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50%)	(141.56)	151.47	(127.64)	136.57
Future salary growth (0.50%)	153.40	(144.57)	138.32	(130.36)

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

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

### (viii) Maturity profile

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

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Rs. lakhs	Rs. lakhs
Within 1 year	916.51	556.02
1 year to 5 years	1,466.82	1,557.21
More than 5 years	2,077.15	2,001.12

### C. Compensated absences:

The obligation of compensated absence in respect of the employees of the Company as at 31 March 2023 works out to Rs. 1,269.86 lakhs (31 March 2022: Rs. 1,177.76 lakhs)

### D. Provident fund:

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

The following table sets out the status of Provident Fund obligation

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Rs. lakhs	Rs. lakhs
Net Provident Fund liability	89.04	85.50



**(i) Reconciliation of the provident fund liability**

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

Particulars	For the year ended	For the year ended
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Balance at the beginning of the year	14,263.70	14,038.94
Current service cost	506.76	415.46
Contribution by plan participants / employees	1,119.47	1,003.17
Interest cost	1,154.85	1,084.96
Actuarial (Gain) on arising from changes in financials assumptions	(0.99)	(1.62)
Actuarial (Gain) on arising from changes in experience adjustments	(7.97)	(110.71)
Benefits paid	(1,195.96)	(2,166.50)
<b>Balance at the end of the year</b>	<b>15,839.86</b>	<b>14,263.70</b>

**(ii) Reconciliation of the plan assets**

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

Particulars	For the year ended	For the year ended
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Balance at the beginning of the year	14,178.20	13,837.17
Expected return on plan assets	1,154.85	1,084.96
Contribution by the Company	506.76	415.46
Contribution by plan participants / employees	1,119.47	1,003.17
Benefits paid	(1,195.96)	(2,166.50)
Actuarial (losses) recognised in other comprehensive income*	(52.07)	(48.00)
Shortfall funded by the Company	39.57	51.95
<b>Balance at the end of the year</b>	<b>15,750.81</b>	<b>14,178.20</b>

\* Includes Rs. 3.54 lakhs (March 31, 2022: (Rs.61.00 lakhs)) on account of provision / (reversal) on investments.

**(iii) Expense recognized in profit or loss**

Particulars	For the year ended	For the year ended
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Current service cost	506.76	415.46
<b>Net cost</b>	<b>506.76</b>	<b>415.46</b>

**iv) Remeasurements recognized in other comprehensive income**

Particulars	For the year ended	For the year ended
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
(Loss) / Gain recognised in other comprehensive income	(43.11)	64.33



## Notes to the Standalone Financial Statements (continued)

### (v) Actuarial assumptions

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial assumptions</b>		
Discount rate	7.38%	7.22%
Expected statutory interest rate	8.15%	8.10%
<b>Demographic assumptions</b>		
Mortality rate	IALM (2012-14)	IALM (2012-14)
Withdrawal rate	Up to 30 years- 3%	Up to 30 years- 3%
	31 to 44 years- 2%	31 to 44 years- 2%
	Above 44 years- 1%	Above 44 years- 1%
Retirement age	58 years and 60 years	58 years and 60 years

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

### (vi) Sensitivity analysis

The significant actuarial assumption for the determination of defined benefit obligations are discount rate.

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

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Rs. lakhs		Rs. lakhs	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50%)	(3.64)	3.81	(4.27)	4.50

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

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

## E. Risk exposure

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

### (a) Investment Risk

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

### (b) Interest rate risk

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

### (c) Longevity risk

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

### (d) Salary risk

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



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**45. Related party disclosures:**

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

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

Daurala Foods and Beverages Private Limited  
DCM Shriram Fine Chemicals Limited (w.e.f. 29.09.2021)  
DCM Shriram International Limited (w.e.f. 07.09.2022)

**Associate**

DCM Hyundai Limited

**Key management personnel**

Mr. S. B. Mathur, Chairman  
Mr. Alok B. Shriram, Senior Managing Director  
Mr. Madhav B. Shriram, Managing Director  
Ms. Urvasi Tilakdhar, Director  
Mr. Vineet Manaktala, Director & CFO ( w.e.f. 01.07.2021)  
Mr. N. K. Jain, Director & CFO (upto 30.06.2021)  
Mr. P. R. Khanna, Independent Director  
Mr. Ravinder Narain, Independent Director  
Mr. S. C. Kumar, Independent Director  
Ms. V. Kavitha Dutt, Independent Director  
Mr. Sanjay C. Kirloskar, Independent Director  
Mr. Y. D. Gupta, Vice President & Company Secretary  
Mr. Mukesh Gupta, Nominee Director (upto 14.03.2022)  
Ms. Mini Ipe , LIC Nominee Director (w.e.f. 30.03.2022)  
Mr. Manoj Kumar, Non-executive Director

**Relatives/HUF of key management personnel**

Mr. Akshay Dhar  
Ms. Kanika Shriram  
Mr. Rudra Shriram  
Mr. Rohan Shriram  
Mr. Uday Shriram  
Ms. Umika Shriram  
Ms. Kislaya Rakesh  
Ms. Anita Gupta  
Ms. Manju Jain  
Ms. Kiran Khanna  
Mr. P. R. Khanna (HUF)  
M/s. Lala Banshi Dhar & Sons- HUF  
Ms. Suman Banshi Dhar  
Ms. Divya Shriram  
Ms. Karuna Shriram  
Ms. Aditi Dhar  
Ms. K. Rao  
Ms. Amita Manaktala  
Ms. Astha Manaktala  
Mr. Mohit Manaktala

**Trusts**

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

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

Bantam Enterprises Private Limited  
H.R. Travels Private Limited  
DCM Containers & Engineering Private Limited (w.e.f. 23.06.21)  
(Formerly Hindustan Vaccum Glass Private Limited)  
Kirloskar Corrocoat Private Limited  
Lily Commercial Private Limited  
Hi-Vac Wares Private Limited  
Fives Cail – KCP Limited  
Versa Trading Limited  
Absolut Info Systems Private Limited



## Notes to the Standalone Financial Statements (continued)

### B. Transactions with related parties:

Particulars	For the year ended	For the year ended
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
<b>Rent expenses</b>		
Relatives/HUF of key management personnel	195.97	181.86
Bantam Enterprises Private Limited	22.94	30.59
H.R. Travels Private Limited	6.89	9.18
DCM Containers & Engineering Private Limited	0.90	0.90
<b>Total</b>	<b>226.70</b>	<b>222.53</b>
<b>Interest expense</b>		
Key management personnel	13.59	11.87
Relatives of Key management personnel	32.16	27.45
Independent Directors & their relatives/HUF	3.67	3.75
<b>Total</b>	<b>49.42</b>	<b>43.07</b>
<b>Other expenses</b>		
DCM Containers & Engineering Private Limited	5.46	30.00
Kirloskar Corrocoat Private Limited	8.68	4.03
Fives Cail – KCP Limited	0.30	6.51
<b>Total</b>	<b>14.44</b>	<b>40.54</b>
<b>Purchase of property, plant and equipment</b>		
DCM Containers & Engineering Private Limited	-	62.54
Fives Cail – KCP Limited	0.25	204.26
DCM Shriram Fine Chemicals Limited	2.41	-
Absolut Info Systems Pvt Ltd	0.25	-
<b>Total</b>	<b>2.91</b>	<b>266.80</b>
<b>Purchase of stores</b>		
Fives Cail – KCP Limited	0.77	-
Kirloskar Corrocoat Private Limited	4.53	-
<b>Total</b>	<b>5.30</b>	<b>-</b>
<b>Advance for Share Capital</b>		
DCM Shriram Fine Chemicals Limited	659.63	171.11
DCM Shriram International Limited	0.34	-
<b>Total</b>	<b>659.97</b>	<b>-</b>
<b>Capital Advances</b>		
DCM Containers & Engineering Private Limited	24.00	-
<b>Investment in equity shares of subsidiary</b>		
DCM Shriram Fine Chemicals Limited	-	1.00
DCM Shriram International Limited	1.00	-
<b>Sale of property, plant and equipment</b>		
DCM Shriram Fine Chemicals Limited	-	1,512.25
<b>Equity dividend paid</b>		
Associate	0.10	0.31
Key management personnel	4.96	4.96
Relatives/HUF of key management personnel	9.53	9.53
Bantam Enterprises Private Limited	101.77	101.77
Lily Commercial Private Limited	236.28	236.28
H.R. Travels Private Limited	48.20	48.20
Hi-Vac Wares Private Limited	59.49	59.49
Versa Trading Limited	193.53	193.32
	<b>653.86</b>	<b>653.86</b>
<b>Public deposits received</b>		
Relatives of key management personnel	-	122.00
<b>Total</b>	<b>-</b>	<b>122.00</b>
<b>Amount received from sale of preference shares</b>		
Key management personnel	-	84.98
Relatives of Key Management Personnel	-	169.96
Bantam Enterprises Private Limited	-	235.06
<b>Total</b>	<b>-</b>	<b>490.00</b>
<b>Security deposits paid</b>		
Relatives/HUF of key management personnel	5.31	-



Particulars	For the year ended	For the year ended
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
<b>Security deposits received back</b>		
Ms. Anita Gupta	-	3.04
Ms. Manju Jain	-	4.56
Bantam Enterprises Private Limited	5.31	-
<b>Total</b>	<b>5.31</b>	<b>7.60</b>
<b>Salaries and bonus including contributions made to provident fund</b>		
<b>Key management personnel</b>		
Mr. Alok B. Shriram	289.86	296.52
Mr. Madhav B. Shriram	289.86	296.52
Ms. Urvashi Tilak Dhar	289.86	278.24
Mr. Vineet Manaktala	73.14	39.02
Mr. N. K. Jain	-	33.60
Mr. Y. D. Gupta	48.96	42.07
Relatives of key management personnel	197.48	197.25
<b>Total</b>	<b>1,189.16</b>	<b>1,183.22</b>
<b>Post-employment defined benefit plan</b>		
<b>Gratuity</b>		
<b>Key management personnel</b>		
Mr. Alok B. Shriram	3.86	(8.76)
Mr. Madhav B. Shriram	1.74	(3.33)
Ms. Urvashi Tilakdhar	3.20	2.71
Mr. Vineet Manaktala	7.37	4.08
Mr. Y. D. Gupta	6.34	2.74
Relatives of key management personnel	5.57	2.92
<b>Total</b>	<b>28.08</b>	<b>0.36</b>
<b>Other long term defined benefit plan</b>		
<b>Compensated absences</b>		
<b>Key management personnel</b>		
Mr. Alok B. Shriram	5.66	7.02
Mr. Madhav B. Shriram	6.02	6.90
Ms. Urvashi Tilakdhar	6.05	6.22
Mr. Vineet Manaktala	2.62	4.73
Mr. Y. D. Gupta	1.67	2.75
Relatives of key management personnel	0.05	(0.70)
<b>Total</b>	<b>22.07</b>	<b>26.92</b>
<b>Commission to Independent Directors</b>		
Mr. P. R. Khanna	13.41	13.72
Mr. S. B. Mathur	14.24	14.56
Mr. Ravinder Narain	11.77	12.04
Mr. S. C. Kumar	13.41	13.72
Ms. Kavitha Dutt Chitturi	12.59	12.88
Mr. Sanjay C. Kirloskar	10.95	11.20
Mr. Mukesh Gupta	-	9.52
Ms. Mini Ipe	9.30	-
Mr. Manoj Kumar	10.95	11.20
<b>Total</b>	<b>96.62</b>	<b>98.84</b>
<b>Total compensation paid to key management personnel</b>	<b>1,335.93</b>	<b>1,309.34</b>
<b>Post-employment defined benefit plan contribution paid to provident fund</b>		
Trusts	1,626.23	1,418.63
<b>Gratuity</b>		
Trust	15.34	19.21
<b>Other long term defined contribution plan superannuation</b>		
Trust	173.93	176.07




## Notes to the Standalone Financial Statements (continued)

### Balances with related parties

(Rs. lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Security deposit receivable</b>		
Relatives/HUF of key management personnel	30.98	23.54
Bantam Enterprises Private Limited	0.00	5.31
<b>Total</b>	<b>30.98</b>	<b>28.85</b>
<b>Advance for share capital</b>		
DCM Shriram Fine Chemicals Limited	331.27	1,670.64
DCM Shriram International Limited	0.34	-
<b>Capital advances</b>		
DCM Containers & Engineering Private Limited	24.00	-
<b>Capital creditors</b>		
DCM Containers & Engineering Private Limited	-	2.28
<b>Payables</b>		
<b>Public deposits including interest accrued</b>		
Key management personnel	118.70	111.87
Relatives/HUF of key management personnel	341.89	320.06
Independent Directors & their relatives	37.50	37.50
<b>Total</b>	<b>498.09</b>	<b>469.43</b>
<b>Provisions</b>		
Daurala Organics Limited Employees' Provident Fund Trust	89.04	85.50
<b>Remuneration / Commission payable</b>		
Remuneration to key management personnel	9.72	-
Commission to Independent Directors	96.62	98.84
Commission to key management personnel	481.67	483.32
Sitting fees to Independent Directors	7.02	5.94

#### Note:

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

### 46. Financial instruments – Fair values and risk management

#### a. Financial instruments – by category and fair values hierarchy

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

#### i. As on March 31, 2022

(Rs. lakhs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Loans*	-	-	50.02	50.02	-	-	-
(ii) Other financial assets*	-	-	475.99	475.99	-	-	-
Current							
(i) Investments*							
Debt instrument (Mutual funds)	990.79	-	-	990.79	990.79	-	-
(ii) Trade receivables*	-	-	25,495.06	25,495.06	-	-	-
(iii) Cash and cash equivalents*	-	-	828.69	828.69	-	-	-
(iv) Other bank balances*	-	-	654.77	654.77	-	-	-
(v) Loans*	-	-	5.79	5.79	-	-	-
(vi) Other financial assets*	31.87	-	15,869.66	15,901.53	31.87	-	-
<b>Total</b>	<b>1,022.66</b>	<b>-</b>	<b>43,379.99</b>	<b>44,402.64</b>			

continued on next page



Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial liabilities</b>							
<b>Non-current</b>							
(i) Borrowings (including current maturities)#	-	-	20,647.05	20,647.05	-	-	20,647.05
(ii) Lease liabilities*	-	-	1,326.26	1,326.26	-	-	-
(iii) Other financial liabilities*	-	-	94.23	94.23	-	-	-
<b>Current</b>							
(i) Borrowings#	-	-	33,572.92	33,572.92	-	-	-
(ii) Lease liabilities*	-	-	451.40	451.40	-	-	-
(iii) Trade payables*	-	-	26,589.31	26,589.31	-	-	-
(iv) Other financial liabilities*	-	-	3,237.29	3,237.29	-	-	-
<b>Total</b>	-	-	85,918.45	85,918.45			

**ii. As on March 31, 2023**

(Rs. lakhs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
(i) Loans*	-	-	62.82	62.82	-	-	-
(ii) Other financial assets*	-	-	539.64	539.64	-	-	-
<b>Current</b>							
(i) Investments* Debt instrument (Mutual funds)	2,835.35	-	-	2,835.35	2,835.35	-	-
(ii) Trade receivables*	-	-	24,224.22	24,224.22	-	-	-
(iii) Cash and cash equivalents*	-	-	474.45	474.45	-	-	-
(iv) Other bank balances*	-	-	749.01	749.01	-	-	-
(v) Loans*	-	-	19.18	19.18	-	-	-
(vi) Other financial assets*	16.84	-	26,778.84	26,795.68	16.84	-	-
<b>Total</b>	2,852.19	-	52,848.15	55,700.34			
<b>Financial liabilities</b>							
<b>Non-current</b>							
(i) Borrowings (including current maturities)#	-	-	14,495.84	14,495.84	-	-	14,495.84
(ii) Lease liabilities*	-	-	1,096.68	1,096.68	-	-	-
(iii) Other financial liabilities*	-	-	5,415.70	5,415.70	-	-	-
<b>Current</b>							
(i) Borrowings#	-	-	34,699.08	34,699.08	-	-	-
(ii) Lease liabilities*	-	-	436.22	436.22	-	-	-
(iii) Trade payables*	-	-	27,474.57	27,474.57	-	-	-
(iv) Other financial liabilities*	-	-	4,243.27	4,243.27	-	-	-
<b>Total</b>	-	-	87,861.37	87,861.37			

# The Company's borrowings have been contracted at both floating and fixed rates of interest. The borrowings at floating rates reset at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value. The fair value of long-term borrowings with fixed rates of interest is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities to discount the future payout).

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

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2023 and March 31, 2022.

**Valuation**

Following financial instruments are remeasured at fair value as under :

- The fair value of investments in quoted Equity Shares and Mutual Funds are measured at quoted price or NRV.
- The fair value of all derivative contracts is determined using forward exchange rate at the balance sheet.

## Notes to the Standalone Financial Statements (continued)

### b. Risk Management

The Company manages risk arising from financial instruments as under :

#### (i) Credit risk

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

Particulars	As at	As at
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Investments	6,095.86	3,456.41
Trade receivables	24,224.22	25,495.06
Cash and cash equivalents	474.45	828.69
Other bank balances	749.01	654.77
Loans	82.00	55.82
Other financial assets	27,335.32	16,377.51

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:

Particulars	Gross carrying amount	
	As at	As at
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
1-90 days past due *	932.73	755.38
91 to 180 days past due	61.53	17.55
More than 180 days past due #	125.85	36.10
Not due	23,139.08	24,710.90
	<b>24,259.19</b>	<b>25,519.93</b>

\* The Company believes that the unimpaired amounts are collectible in full, based on historical payment behaviour.

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

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

Particulars	For the year ended	For the year ended
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Balance at the beginning of the year	24.87	24.87
Impairment loss recognised	10.10	-
<b>Balance at the end of the year</b>	<b>34.97</b>	<b>24.87</b>

#### 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 (also refer note 52).



**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. 1,223.46 lakhs as at March 31, 2023 (March 31, 2022 Rs. 1,483.46 lakhs), anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if liquidity needs were to arise, the Company believes it has access to financing arrangements, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

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

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

**I. Financial arrangements**

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

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. lakhs	Rs. lakhs
From banks	12,096.29	9,674.56

**II. Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

(Rs. lakhs)

As at March 31, 2022	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings*	12,901.45	-	12,898.70	49.45	12,948.15
Lease liabilities	1,326.26	-	1,436.71	115.13	1,551.84
Other financial liabilities	94.23	-	94.23	-	94.23
<b>Current liabilities</b>					
Borrowings	41,318.52	41,318.52	-	-	41,318.52
Lease liabilities	451.40	608.99	-	-	608.99
Trade payables	26,589.31	26,589.31	-	-	26,589.31
Other financial liabilities	3,237.29	3,237.29	-	-	3,237.29
<b>Total</b>	<b>85,918.45</b>	<b>71,754.11</b>	<b>14,429.64</b>	<b>164.58</b>	<b>86,348.33</b>

(Rs. lakhs)

As at March 31, 2023	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings*	7,331.01	-	7,354.88	-	7,354.88
Lease liabilities	1,096.68	-	1,009.29	228.35	1,237.64
Other financial liabilities	5,415.70	-	5,415.70	-	5,415.70
<b>Current liabilities</b>					
Borrowings	41,863.91	41,863.91	-	-	41,863.91
Lease liabilities	436.22	555.09	-	-	555.09
Trade payables	27,474.57	27,474.57	-	-	27,474.57
Other financial liabilities	4,243.27	4,243.27	-	-	4,243.27
<b>Total</b>	<b>87,861.37</b>	<b>74,136.85</b>	<b>13,779.87</b>	<b>228.35</b>	<b>88,145.08</b>

\* Contractual cash flows do not include interest expense



## Notes to the Standalone Financial Statements (continued)

### 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, 2023 and March 31, 2022.

(Rs. Lakhs)

Particulars	As at March 31, 2023			
	USD	EURO	AUD	GBP
<b>Financial assets</b>				
Trade receivables*	7,935.07	1,991.11	-	-
Advance to contractors	8.58	2.92	1.75	-
	7,943.65	1,994.03	1.75	-
<b>Financial liabilities</b>				
Borrowings	1,347.38	68.08	-	0.62
Trade payables	7,358.08	840.01	-	-
	8,705.46	908.09	-	0.62

(Rs. Lakhs)

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

\* Trade receivables are net of corresponding foreign exchange contracts

#### Sensitivity analysis

A reasonably possible strengthening / weakening of the Indian Rupee against below currencies at March 31, 2023 (previous year ended as on March 31, 2022) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. lakhs)

Particulars	Profit or loss		Equity, net of tax	
	Weakening	Strengthening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended March 31, 2023</b>				
USD	(7.62)	7.62	(4.96)	4.96
EUR	10.86	(10.86)	7.06	(7.06)
AUD	0.02	(0.02)	0.01	(0.01)
GBP	(0.01)	0.01	(0.00)	0.00
	3.25	(3.25)	2.11	(2.11)
<b>For the year ended March 31, 2022</b>				
USD	(27.86)	27.86	(18.13)	18.13
EUR	26.89	(26.89)	17.50	(17.50)
GBP	(0.03)	0.03	(0.02)	0.02
	(1.00)	1.00	(0.65)	0.65

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



### Foreign exchange derivative contracts

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

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

Outstanding contracts	No of deals		Contract value of foreign currency (in lakhs)		Maturity			
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	Upto 12 months Nominal amount (in lakhs)		More than 12 months Nominal amount (in lakhs)	
					As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
USD/INR Sell Forward	68	130	75.70	188.24	6,261.90	14,479.37	-	-
EUR/INR Sell Forward	9	9	10.00	22.46	893.46	1,912.25	-	-
EUR/USD Sell Forward	8	5	10.18	13.19	880.11	1,117.52	-	-
USD/INR Buy Forward	1	5	1.00	6.12	82.40	478.13	-	-

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

### Interest rate risk

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

### Exposure to interest rate risk

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

Particulars	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>Financial Assets</b>		
<b>Fixed Rate Instruments</b>		
Bank Balances other than Cash & cash equivalents	749.01	654.77
Other Financial assets	73.58	61.23
<b>Total</b>	<b>822.59</b>	<b>716.00</b>
<b>Financial Liabilities</b>		
<b>Fixed Rate Instruments</b>		
Term loans	5,953.64	10,039.45
Public Deposits	916.56	940.07
<b>Variable-rate instruments</b>		
Term loans	7,625.63	9,667.52
Cash Credit	34,699.08	33,572.92
<b>Total</b>	<b>49,194.91</b>	<b>54,219.96</b>

## Notes to the Standalone Financial Statements (continued)

### 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
<b>For the year ended March 31, 2023</b>				
Interest on term loans	(76.26)	76.26	(49.61)	49.61
Interest on cash credits	(346.99)	346.99	(225.74)	225.74
<b>For the year ended March 31, 2022</b>				
Interest on term loans	(96.68)	96.68	(62.89)	62.89
Interest on cash credits	(335.73)	335.73	(218.41)	218.41

### 47. Capital management

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

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

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

Particulars	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Borrowings	49,194.91	54,219.96
Less : Cash and cash equivalent	(474.45)	(828.69)
<b>Adjusted net debt (A)</b>	<b>48,720.46</b>	<b>53,391.28</b>
<b>Total equity (B)</b>	<b>69,920.88</b>	<b>65,437.61</b>
<b>Adjusted net debt to total equity ratio (A/B)</b>	<b>69.68%</b>	<b>81.59%</b>

48. Research and development expenses amounting to Rs. 491.48 lakhs (March 31, 2022: Rs. 311.87 lakhs) have been charged to the respective revenue accounts. Capital expenditure relating to research and development amounting to Rs. 8.25 lakhs (March 31, 2022: Rs. 38.63 lakhs) has been included in property, plant and equipment.

49. Parties covered under "The Micro, Small and Medium Enterprise Development Act, 2006" (MSMED Act, 2006) have been identified on the basis of confirmation received. The disclosures pursuant to the said MSME Act are as follows:



Particulars	For the year ended <u>March 31, 2023</u> Rs. lakhs	For the year ended <u>March 31, 2022</u> Rs. lakhs
(a) Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year. - Principal amount - Interest due thereon	1,215.71 -	1,263.91 -
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

#### 50. Disclosures related to government grant

The government grants/assistance recognised are as under:

Nature of Grant/assistance	Income/ expense head	For the year ended <u>March 31, 2023</u> Rs. lakhs	For the year ended <u>March 31, 2022</u> Rs. lakhs
Subvention on loan interest	Other income	108.26	70.70
Interest subsidy in respect of loan at concessional rate	Other income	182.55	228.88
Grant for payment of cane dues subject to fulfillment of sugar export obligation and other conditions	Other operating revenue	-	273.48
Duty drawback and other incentive (net of provision)	Other operating revenue	1,056.07	958.24

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

Particulars	Amount as on March 31, 2023	Amount as on March 31, 2022	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	Property held since	Reason for not being held in the name of the company
<b>Property, Plant and Equipment</b> Land situated at Daurala, Uttar Pradesh (UP) and Kota, Rajasthan	844.04 *	844.04 *	No	1991	Vested in the Company pursuant to a Scheme of Arrangement of erstwhile DCM Limited. (Undisputed)
Land situated at Daurala, UP	44.95	44.95	No	2005	Vested in the Company pursuant to merger of Daurala Organics Limited under section 391 to 394 of the Companies Act, 1956 in terms of approval of Honorable High Court. (Undisputed)
<b>Total</b>	<b>888.99</b>	<b>888.99</b>			

\* Includes leasehold land Rs. 465.00 lakhs (March 31, 2022: Rs. 465.00 lakhs) at Kota, Rajasthan.



## Notes to the Standalone Financial Statements (continued)

52. Consequent to introduction of GST with effect from July 1, 2017, there has been ambiguity with regard to chargeability of indirect tax, i.e. UP VAT or GST or any other tax, on certain supplies made to a party and, therefore, no tax has been charged on invoices raised for such supplies. The Hon'ble Allahabad High Court has held that no VAT is chargeable on such transactions. However, this issue is sub-judice before the Hon'ble Supreme Court in a similar matter. The buyer has provided an undertaking to indemnify the Company for any tax, along with interest, penalty (if levied) or any other related expenses, as may be finally incurred in this regard.

State VAT Authorities had completed assessments for the period July 1, 2017 to October 31, 2020 and raised demands. These assessments have been cancelled after Hon'ble Allahabad High Court order except for the year ended March 31, 2020 which is pending disposal before VAT Tribunal and VAT demand raised amounting to Rs 6,911.32 lakhs in respect of that year has been stayed by the tribunal. The Company has deposited an amount of Rs.3,417.52 lakhs under protest in respect of the aforesaid VAT matters for the period July 1, 2017 to October 31, 2020.

During the year, GST demand of Rs. 29,617.47 lakhs was raised on these transactions from July 1, 2017 to September 30, 2022 (except FY 2019-20) which is stayed and contested. The Company has deposited an amount of Rs. 1,891.66 lakhs as duty under protest in respect of GST.

Pending clarity on imposition of VAT or GST on such supplies, the Company has recognized a provision for contingencies under "Provisions (current)" of Rs. 26,312.70 lakhs as at March 31, 2023 (Rs 15,733.25 lakhs as at March 31, 2022, net of amount paid under protest of Rs.3,417.52 lakhs). Basis the undertaking from the buyer, the Company has recognized corresponding reimbursement assets amounting to Rs. 26,312.70 lakhs as at March 31, 2023 (Rs. 15,550.43 lakhs as at March 31, 2022, net of amount already received Rs.3,600.34 lakhs) under "Other financial assets (current)".

The amounts aggregating to Rs.5,309.18 lakhs paid under protest have been shown as recoverable under "Other non-current assets". As these have been funded by the buyer similar amount is shown as payable to the buyer under "Other non-current financial liabilities".

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

### 53. Assets charged as security

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

	Note	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>Current assets</b>			
Inventories	10	63,482.91	63,269.61
Trade receivables	12	24,224.22	25,495.06
Cash and cash equivalents	13	297.39	794.12
Other bank balances	14	480.23	400.46
Loans	15	8.99	3.80
Other financial assets	16	479.41	347.62
Other current assets	17	1,655.73	3,076.36
<b>Total (I)</b>		<b>90,628.88</b>	<b>93,387.04</b>
<b>Non-current asset</b>			
Property, plant and equipment	3	59,250.32	54,540.25
Capital work-in progress	3	220.61	3,256.06
Intangible assets	4	238.16	323.89
Loans	6	32.68	26.75
Other financial assets	7	462.57	398.29
Income-tax assets (net)	8	78.77	43.69
Other non-current assets	9	96.57	222.11
<b>Total (II)</b>		<b>60,379.68</b>	<b>58,811.04</b>
<b>Grand Total (I&amp;II)</b>		<b>1,51,008.56</b>	<b>1,52,198.07</b>

54. During the previous year ended March 31, 2022, 7,00,000 5% Redeemable Non-Cumulative Preference Shares of Rs. 100 each in Versa Trading Limited aggregating to Rs. 700 Lakhs, which were fully impaired in an earlier year, were sold for Rs. 490 Lakhs. Consequently, to that extent, provision for impairment was reversed and included in "Provisions/Liabilities no longer required, written back" in Note 30 "Other Income".
55. a) During the year, the Company subscribed to 9,99,50,000 equity shares of Rs. 2 each in DCM Shriram Fine Chemicals Limited, a wholly owned subsidiary of the Company, including conversion of advance against equity Rs.1,670.64 lakhs as on March 31, 2022. Additional advance of Rs. 659.63 lakhs has been given during the year and accordingly an amount of Rs. 331.27 lakhs (March 31, 2022: Rs. 1,670.64 lakhs) has been shown as "Advance against share capital" and included in Note no. 5 "Investment-Non current".
- b) During the year, the Company subscribed to 50,000 equity shares of Rs. 2 each in DCM Shriram International Limited, a wholly owned subsidiary of the Company. Additional advance of Rs. 0.34 lakhs has been given during the year and accordingly an amount of Rs. 0.34 lakhs (March 31, 2022: Rs. Nil) has been shown as "Advance against share capital" and included in Note no. 5 "Investment-Non current".



**56. Assets held for sale**

Management has committed to a plan to sell the following assets in near future:

Particulars	As at	As at
	March 31, 2023 Rs. lakhs	March 31, 2022 Rs. lakhs
Building	33.87	-

**57. Financial Ratios:**

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance
(a) Current Ratio	Current assets	Current liabilities	1.2	1.2	-4.0 %
(b) Debt- Equity Ratio	Total Debt	Total Equity	0.7	0.8	-15.1 %
(c) Debt Service Coverage Ratio	Earnings available for debt service*	Scheduled Debt Service	1.4	1.5	-7.1 %
(d) Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	8.9 %	10.5 %	-15.1 %
(e) Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.5	2.1	17.5 %
(f) Trade Receivable Turnover Ratio	Revenue	Average Trade Receivable	9.5	9.4	0.6 %
(g) Trade Payable Turnover Ratio **	Purchases and other expenses	Average Trade Payables	6.6	5.2	26.5 %
(h) Net Capital Turnover Ratio	Revenue	Working Capital	12.9	10.3	24.8 %
(i) Net Profit Ratio	Net Profit	Total Income	2.5 %	3.1 %	-16.9 %
(j) Return on Capital Employed	Earning before interest and taxes	Average Capital Employed #	13.8 %	15.5 %	-10.7 %
(k) Return on Investment@	Income generated from investments	Time weighted average investments	5.6 %	3.4 %	61.5 %

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

# Tangible net worth + Long term debt + Deferred tax liabilities

\*\* Increased mainly on account of increase in purchases

@ Increased on account of change in yield

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

**59. Additional Regulatory information:**

- The Company does not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- The Company does not have any transactions with struck off companies.
- Details of charges / satisfaction which are yet to be registered with Registrar of Companies (ROC).

Pending Satisfaction/ Registration	Brief description of the charges or satisfaction	Location of Registrar	Amount of Charge (Rs.Lakhs)	Reason for delay in satisfaction
Satisfaction	A charge created with serial number R36032811, charge ID 80000572 on 31st March 1978 and subsequently modified on 18th March 2020 In favour of Oriental bank of Commerce, Transport Nagar, UP-250002, India.	New Delhi	2,450.00	The loan has been repaid fully on the due date and No dues certificate has been received from the lender and requisite papers have been filed with the ROC. The said charge was created in FY 1978 (by erstwhile DCM Ltd). This got transferred to the Company in FY 1990 pursuant to reconstruction arrangement of erstwhile DCM Ltd. Due to this there is a technical problem at ROC in online updation of satisfaction which is under discussion with ROC for its solution.

## Notes to the Standalone Financial Statements (continued)

- iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- viii) The Company has not been declared as a wilful defaulter by any banks or any other financial institution at any time during the financial year or after the end of the reporting period but before the date when the financial statements are approved.
- ix) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has five CICs as part of the Group.
60. The figures of the previous year/periods have been regrouped/reclassified wherever necessary to comply with amendments in Schedule III of the Companies Act, 2013.

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

**Kaushal Kishore**  
Partner  
Membership No.: 090075

Place : New Delhi  
Date : May 25, 2023

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

Vineet Manaktala  
Director Finance & Chief Financial Officer  
DIN: 09145644

Alok B. Shriram  
Sr. Managing Director  
DIN: 00203808

Y.D. Gupta  
Vice President & Company Secretary  
Place : New Delhi  
Date : May 25, 2023

S.B Mathur  
Chairman  
DIN: 00013239

Madhav B. Shriram  
Managing Director  
DIN: 00203521

Urvashi Tilakdhar  
Wholetime Director  
DIN: 00294265



# INDEPENDENT AUDITOR'S REPORT



**TO THE MEMBERS OF  
DCM SHRIRAM INDUSTRIES LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

## Opinion

We have audited the consolidated financial statements of DCM Shriram Industries Limited (hereinafter referred to as the "Holding Company" and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor(s) on separate financial statements of such subsidiaries and associate as were audited by the other auditor(s), the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditor(s) referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

## Key Audit Matters

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

### **Determination of carrying value of inventory of sugar and the related products as at 31 March 2023 (See note 2A(d) and 11 to consolidated financial statements)**

The key audit matter	How the matter was addressed in our audit
<p>As on 31 March, 2023, the Holding Company had an inventory of sugar and related products, i.e., molasses, ethanol, etc., with a carrying value of Rs. 42,480.51 lakhs. The Holding Company produces ethanol at its Distillery unit using a particular type of molasses (B-heavy, a product generated along with sugar).</p> <p>Sugar and B-heavy molasses have been recognised as joint products and the cost of production has been allocated appropriately between these joint products.</p> <p>We considered the determination of carrying value of the inventory (i.e., lower of cost and NRV) of joint products, sugar and B-heavy molasses, as a Key Audit Matter given the relative size in the standalone financial statements and judgement involved in analysing the relevant factors such as basis for classification of B-heavy molasses as a joint product, determination of a reasonable basis for allocation of cost between the joint products in arriving at the cost of inventories and determination of estimated net realizable value, basis minimum sale price, regulatory intervention in determining periodical restrictions on quantity of sales and frequent fluctuations in selling prices, etc.</p>	<ul style="list-style-type: none"> <li>We understood the process followed by the management and tested Company's key controls in determination of valuation of closing inventory including for determination of estimated net realizable value of inventory of sugar and allocation of cost between joint products.</li> <li>We considered various factors including technical assessment of the management, significance of the products, manufacturing objective in determination of classification of the products as 'joint products'; the relative net realisable value of sugar and B-heavy molasses based alcohol in determination of a basis for allocation of cost between the joint products.</li> <li>In respect of estimated net realizable value, we have considered factors of actual selling price prevailing during the year and subsequent to the year end, minimum selling price, and other measures taken by the Government with respect to sugar industry.</li> </ul>





## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

### Determination of provision for contingencies and recoverability of reimburseable asset as at 31 March 2023 (see note 16, 29 and 53 to consolidated financial statements).

The key audit matter	How the matter was addressed in our audit
<p>The Holding Company has Indirect tax matters which are subject to ongoing proceedings by tax authorities and involve significant judgement by the management in evaluating the likely outcome. The Holding Company makes an assessment to determine the outcome of these tax positions and decides to make an accrual or consider it to be a possible contingent liability in accordance with the applicable Indian accounting standards.</p> <p>Consequent to introduction of GST with effect from July 1, 2017, there has been ambiguity with regard to chargeability of indirect tax, i.e. UP VAT or GST or any other tax, on certain supplies made by the Company to a customer and, therefore, no tax has been charged on such supplies.</p> <p>Various demands raised by the VAT/ GST authorities are being contested, and have been assessed for creating provision/ disclosure in the consolidated financial statements.</p> <p>Reimbursement asset has been recognised based on an undertaking by the customer to indemnify the Company for any liability that may finally arise.</p> <p>The above judgements may change over time based on judicial precedents or amendments to legislation etc. Change in the management's judgements and estimates may significantly affect the recognition of assets and liabilities and disclosures thereof.</p>	<p>We performed the following procedures in this regard:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management's process for monitoring these matters and the process followed to finalise management's judgement of the likely outcome.</li> <li>• Evaluated the design and tested the operating effectiveness of controls around the management's assessment.</li> <li>• Assessed the appropriateness of methods used, reliability of underlying data used for quantification of amounts.</li> <li>• Examined correspondence and obtained independent confirmation from the Company's external legal counsel in order to corroborate our understanding of these matters with respect to the legal determination of liability arising on such matters.</li> <li>• Involved our internal specialists evaluate management's assessment by reviewing the facts of the case, reasonableness of assumptions and making an assessment of the likely outcome of the matters.</li> <li>• Examined management's assessment including discussions with in house legal team in respect of recoverability of recognized reimbursable asset.</li> <li>• Examined the underlying agreement, indemnity arrangement and the independent confirmation received from the customer as regards the recognition of reimburseable asset.</li> <li>• Evaluated the adequacy of disclosure made with respect to requirements of Ind-AS 37 regarding the matter.</li> </ul>

#### Other Information

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

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

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

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design,



## INDEPENDENT AUDITOR'S REPORT (continued)



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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.



## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Other Matters

- a. We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 3,999.58 Lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 62.22 Lakhs and net cash inflows (before consolidation adjustments) amounting to Rs. 296.39 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of Rs. 39.73 Lakhs and other comprehensive income after tax of Rs 2.05 Lakhs for the year ended 31 March 2023, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.
- b. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of subsidiaries and associate as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, and an associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



## INDEPENDENT AUDITOR'S REPORT (continued)



- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associate, as noted in the "Other Matters" paragraph:
- (a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group and its associate. Refer Note 42 to the consolidated financial statements.
- (b) 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 2023.
- (c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and associate company incorporated in India during the year ended 31 March 2023.
- (d) i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies, respectively that, to the best of their knowledge and belief, as disclosed in the Note 62 (v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies respectively that, to the best of their knowledge and belief, as disclosed in the Note 62 (vi) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- (e) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act. The subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.
- c) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and associate company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, and its subsidiary companies, and an associate company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, and its subsidiary companies, and an associate company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Kaushal Kishore**

Partner

Membership No.: 090075

ICAI UDIN:23090075BGYUKY6732

Place: New Delhi

Date: 25 May 2023

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## **CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED**

**Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of DCM Shriram Industries Limited for the year ended 31 March 2023**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

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

**Kaushal Kishore**  
Partner

Membership No.: 090075  
ICAI UDIN:23090075BGYUKY6732

Place: New Delhi  
Date: 25 May 2023



## INDEPENDENT AUDITOR'S REPORT (continued)



**Annexure B to the Independent Auditor's Report on the consolidated financial statements of DCM Shriram Industries Limited for the year ended 31 March 2023**

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

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

In conjunction with our audit of the consolidated financial statements of DCM Shriram Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and its associate company, as of that date.

In our opinion, the Holding Company and its subsidiary companies and its associate company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

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

### **Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and associate company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's



## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

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

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to three subsidiary companies and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

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

**Kaushal Kishore**  
Partner

Place: New Delhi  
Date: 25 May 2023

Membership No.: 090075  
ICAI UDIN:23090075BGYUKY6732



# CONSOLIDATED FINANCIAL STATEMENTS



## Consolidated Balance Sheet as at March 31, 2023

Particulars	Note	As at	As at
		March 31, 2023	March 31, 2022
		Rs. lakhs	Rs. lakhs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	61,620.64	56,530.02
Capital work-in progress	3	220.61	3,257.23
Right-of-use assets	41	1,313.15	1,549.85
Intangible assets	4	238.16	323.89
Intangible assets under development	4	-	-
Equity accounted investees	5	1,397.40	1,355.62
Financial assets			
(i) Investments	6	314.50	180.58
(ii) Loans	7	62.82	50.02
(iii) Other financial assets	8	540.64	475.99
Income-tax assets (net)	9	1,655.70	1,605.02
Other non-current assets	10	5,638.85	451.81
<b>Total non-current assets</b>		<b>73,002.47</b>	<b>65,780.03</b>
<b>Current assets</b>			
Inventories	11	63,482.91	63,269.61
Financial assets			
(i) Investments	12	2,835.35	990.79
(ii) Trade receivables	13	24,224.22	25,495.06
(iii) Cash and cash equivalents	14	784.24	842.08
(iv) Bank balances other than (iii) above	15	1,728.35	1,885.23
(v) Loans	16	19.18	5.79
(vi) Other financial assets	17	26,829.49	15,928.21
Other current assets	18	2,166.89	3,727.13
Asset held for sale	58	33.87	-
<b>Total current assets</b>		<b>1,22,104.50</b>	<b>1,12,143.90</b>
<b>TOTAL ASSETS</b>		<b>1,95,106.97</b>	<b>1,77,923.93</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	19	1,739.84	1,739.84
Other equity	20	69,926.90	65,451.61
<b>Total equity</b>		<b>71,666.74</b>	<b>67,191.45</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	21	7,331.01	13,206.53
(ii) Lease liabilities	41	1,096.68	1,326.26
(iii) Other financial liabilities	22	5,415.70	94.23
Provisions	23	1,003.95	1,214.93
Deferred tax liabilities (net)	39	5,578.14	4,169.22
Other non-current liabilities	24	58.85	51.08
<b>Total non-current liabilities</b>		<b>20,484.33</b>	<b>20,062.25</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	25	42,168.98	41,623.59
(ii) Lease liabilities	41	436.22	451.40
(iii) Trade payables	26		
- Total outstanding dues of micro enterprises and small enterprises		1,215.71	1,263.91
- Total outstanding dues of creditors other than micro enterprises and small enterprises		26,260.72	25,326.51
(iv) Other financial liabilities	27	4,318.60	3,237.29
Other current liabilities	28	1,549.57	2,381.40
Provisions	29	27,006.10	16,386.13
<b>Total current liabilities</b>		<b>1,02,955.90</b>	<b>90,670.23</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,95,106.97</b>	<b>1,77,923.93</b>

2A Significant Accounting Policies

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 : May 25, 2023

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

Vineet Manaktala  
Director Finance & Chief Financial Officer  
DIN: 09145644

Alok B. Shriram  
Sr. Managing Director  
DIN: 00203808  
Y.D. Gupta  
Vice President & Company Secretary

Place : New Delhi  
Date : May 25, 2023

S.B Mathur  
Chairman  
DIN: 00013239

Madhav B. Shriram  
Managing Director  
DIN: 00203521

Urvashi Tilakdhar  
Wholtime Director  
DIN: 00294265





## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

### Consolidated Statement of Profit and Loss for the year ended March 31, 2023

Particulars	Note	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Revenue from operations	30	2,35,092.47	2,12,311.82
Other income	31	1,750.73	2,333.79
<b>Total Income</b>		<b>2,36,843.20</b>	<b>2,14,645.61</b>
<b>Expenses</b>			
Cost of material consumed	32	1,30,589.30	1,17,860.64
Purchase of traded goods	33	24,148.52	19,479.66
Changes in inventories of finished goods and work-in-progress	34	3,366.21	(67.26)
Employee benefits expense	35	18,637.52	16,522.29
Finance costs	36	3,354.00	4,021.24
Depreciation and amortisation expense	37	3,589.87	3,275.11
Other expenses	38	44,101.97	44,322.02
<b>Total expenses</b>		<b>2,27,787.39</b>	<b>2,05,413.70</b>
<b>Profit before share of profit of equity accounted investees and tax</b>		<b>9,055.81</b>	<b>9,231.91</b>
<b>Share of profit of equity accounted investee ( net of tax)</b>		<b>39.73</b>	<b>43.45</b>
<b>Profit before tax</b>		<b>9,095.54</b>	<b>9,275.36</b>
<b>Tax expense</b>			
Current tax expense	39	2,260.20	2,151.83
Deferred tax charge	39	819.33	499.21
		<b>3,079.53</b>	<b>2,651.04</b>
<b>Profit for the year</b>		<b>6,016.01</b>	<b>6,624.32</b>
<b>Other comprehensive (expense) / income</b>			
<b>Items that will not be reclassified to profit and loss</b>			
Re-measurement (loss) / gain on defined benefit obligation		(365.67)	279.61
Income tax pertaining to items that will not be reclassified to profit or loss		127.78	(97.71)
Share of OCI of equity accounted investees (net of tax)		2.05	2.64
<b>Total other comprehensive (expense) / income, net of taxes</b>		<b>(235.84)</b>	<b>184.54</b>
<b>Total comprehensive income</b>		<b>5,780.17</b>	<b>6,808.86</b>
<b>Profit for the year attributable to</b>	50		
- Owners of the Company		6,016.01	6,624.32
- Non-controlling interest		-	-
<b>Other comprehensive income for the year attributable to</b>	50		
- Owners of the Company		(235.84)	184.54
- Non-controlling interest		-	-
<b>Total comprehensive income for the year attributable to</b>	50		
- Owners of the Company		5,780.17	6,808.86
- Non-controlling interest		-	-
<b>Earnings per equity share of Rs. 2 each- basic/ diluted (Rs.)</b>	44	<b>6.92</b>	<b>7.61</b>
<b>Significant Accounting Policies</b>	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 : May 25, 2023

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

Vineet Manaktala  
Director Finance & Chief Financial Officer  
DIN: 09145644

Alok B. Shriram  
Sr. Managing Director  
DIN: 00203808  
Y.D. Gupta  
Vice President & Company Secretary

Place : New Delhi  
Date : May 25, 2023

S.B Mathur  
Chairman  
DIN: 00013239

Madhav B. Shriram  
Managing Director  
DIN: 00203521

Urvashi Tilakdhar  
Wholetime Director  
DIN: 00294265



## CONSOLIDATED FINANCIAL STATEMENTS (continued)



### A. Equity share capital

Particulars	(Rs.lakhs)
Balance as at April 1, 2021	1,739.84
Changes in equity share capital during the year ended March 31, 2022	-
<b>Balance as at March 31, 2022</b>	<b>1,739.84</b>
Changes in equity share capital during the year ended March 31, 2023	-
<b>Balance as at March 31, 2023</b>	<b>1,739.84</b>

### B. Other equity

(Rs.lakhs)

Particulars	Reserve and surplus						Total
	Amalgamation reserve	General reserve	Capital redemption reserve	Capital reserve	Securities Premium	Retained Earnings	
<b>Balance as at April 1, 2021</b>	1,411.38	13,465.60	0.10	234.89	3,406.68	41,428.98	59,947.63
Profit for the year	-	-	-	-	-	6,624.32	6,624.32
Other comprehensive income for the year net of tax	-	-	-	-	-	184.54	184.54
<b>Transactions with shareholders, recorded directly in equity</b>							
<b>Distribution to shareholders</b>							
Final dividend on equity shares (Rs. 2.5 per equity share of Rs. 10 each)						(434.96)	(434.96)
Interim dividend on equity shares (Rs. 1 per equity share of Rs.2 each)						(869.92)	(869.92)
<b>Balance as at March 31, 2022</b>	1,411.38	13,465.60	0.10	234.89	3,406.68	46,932.96	65,451.61
<b>Balance as at April 1, 2022</b>	1,411.38	13,465.60	0.10	234.89	3,406.68	46,932.96	65,451.61
Profit for the year	-	-	-	-	-	6,016.01	6,016.01
Other comprehensive (expense) for the year net of tax	-	-	-	-	-	(235.84)	(235.84)
<b>Transactions with shareholders, recorded directly in equity</b>							
<b>Distribution to shareholders</b>							
Final dividend on equity shares (Rs. 0.5 per equity share of Rs. 2 each)						(434.96)	(434.96)
Interim dividend on equity shares (Rs. 1 per equity share of Rs.2 each)						(869.92)	(869.92)
<b>Balance as at March 31, 2023</b>	1,411.38	13,465.60	0.10	234.89	3,406.68	51,408.25	69,926.90

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

##### e. Securities premium

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

##### f. Retained earnings

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

#### Significant Accounting Policies

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

2A

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 : May 25, 2023

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

Vineet Manaktala  
Director Finance & Chief Financial Officer  
DIN: 09145644

Alok B. Shriram  
Sr. Managing Director  
DIN: 00203808  
Y.D. Gupta  
Vice President & Company Secretary

Place : New Delhi  
Date : May 25, 2023

S.B Mathur  
Chairman  
DIN: 00013239

Madhav B. Shriram  
Managing Director  
DIN: 00203521

Urvashi Tilakdhar  
Wholesale Director  
DIN: 00204265



## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

### Consolidated Statement of Cash Flow for the year ended March 31, 2023

	For the year ended <u>March 31, 2023</u>	For the year ended <u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
<b>A. <u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Profit before tax	9,095.54	9,275.36
<u>Adjustments for:</u>		
Depreciation and amortisation	3,589.87	3,275.11
Finance costs	3,354.00	4,021.24
Interest income	(107.14)	(103.26)
Interest received against subvention	(290.81)	(299.58)
Profit on sale of property, plant and equipment / discarded assets (net)	(16.38)	(168.72)
Share of profit of equity accounted investees (net of tax)	(39.73)	(43.46)
Provisions/liabilities no longer required written back	(342.20)	(603.54)
Bad debts and advances written off	10.10	-
Profit on sale of current investments	(43.98)	(27.81)
Net gain on fair value of investments	(66.29)	(26.38)
Operating profit before changes in assets and liabilities	15,142.98	15,298.96
<u>Changes in assets and liabilities</u>		
Increase / (Decrease) in trade payables	967.38	(7,487.42)
Increase in financial liabilities	6,529.95	1,191.22
Increase in other liabilities & provisions	9,480.06	4,393.87
Decrease / (Increase) in trade receivables	1,260.74	(5,819.00)
(Increase) / Decrease in inventories	(213.31)	2,762.35
(Increase) in financial assets	(10,952.51)	(2,412.79)
(Increase) in other assets	(3,742.78)	(582.27)
Cash generated from operations	18,472.51	7,344.92
Income tax paid (net)	(1,611.00)	(1,442.32)
Net cash from operating activities ( A )	16,861.51	5,902.60
<b>B. <u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Capital expenditure on acquisition of items of property, plant and equipments and intangible assets	(5,260.38)	(13,478.44)
Proceeds from sale of property, plant and equipments	97.39	1,615.25
Investments in mutual fund (net)	(4,403.78)	(200.00)
Investment in equity shares - non current	(133.92)	(180.58)
Proceeds from sale of long term non trade investments	-	490.00
Proceeds from sale of current investments	2,669.48	4,032.98
Investment in bank deposit	(4.98)	-
Changes in other bank balances	156.89	508.71
Interest received	91.77	96.92
Net cash (used in) investing activities ( B )	(6,787.53)	(7,115.16)
<b>C. <u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Proceeds from long term borrowings	1,046.09	9,025.33
Repayment of long term borrowings	(7,532.17)	(7,128.56)
Proceeds from short term borrowings (net)	1,126.16	3,711.72
Repayments of Lease Liabilities	(449.42)	(400.86)
Finance costs paid (Net of subvention)	(3,029.46)	(3,851.99)
Dividend paid	(1,293.02)	(1,305.88)
Net cash (used in) / from financing activities ( C )	(10,131.82)	49.76
Net decrease in cash and cash equivalents (A+B+C)	(57.84)	(1,162.80)
Cash and cash equivalents at the beginning of the year	842.08	2,004.88
Cash and cash equivalents at the end of the year	784.24	842.08
Component of cash and cash equivalents		
Balances with scheduled banks:		
- Current accounts	767.69	696.78
- Deposit with original maturity of less than three months	-	126.45
- Cash in hand	16.55	18.85
Cash and cash equivalents at the close of the year	784.24	842.08



## Consolidated Statement of Changes in Equity for the year ended March 31, 2023



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

(Rs. lakhs)

Particulars	Non-current borrowings*	Current borrowings#	Lease liability	Total
Opening balance as at April 1, 2021	18,853.17	29,861.20	2,173.14	50,887.51
Cash flows during the year	490.27	1,642.35	(580.63)	1,551.99
Non-cash changes due to:				
- Interest expense (net of subvention)	1,472.52	2,069.37	-	3,541.89
- Finance cost on lease liability	-	-	179.77	179.77
- Lease liability recognised	-	-	5.39	5.39
Closing balance as at March 31, 2022	20,815.96	33,572.92	1,777.67	56,166.55
<b>Opening balance as at April 1, 2022</b>	<b>20,815.96</b>	<b>33,572.92</b>	<b>1,777.67</b>	<b>56,166.55</b>
<b>Cash flows during the year</b>	<b>(7,495.54)</b>	<b>(135.15)</b>	<b>(598.01)</b>	<b>(8,228.70)</b>
<b>Non-cash changes due to:</b>				
<b>- Interest expense (net of subvention)</b>	<b>1,653.29</b>	<b>1,261.31</b>	<b>-</b>	<b>2,914.60</b>
<b>- Finance cost on lease liability</b>	<b>-</b>	<b>-</b>	<b>148.59</b>	<b>148.59</b>
<b>- Lease liability reversed</b>	<b>-</b>	<b>-</b>	<b>204.65</b>	<b>204.65</b>
<b>Closing balance as at March 31, 2023</b>	<b>14,973.71</b>	<b>34,699.08</b>	<b>1,532.90</b>	<b>51,205.69</b>

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

# This does not include current maturities of loan term borrowings

### Notes

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

### Significant Accounting Policies

2A

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

As per our report of even date attached

**For BSR & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.:  
101248W/W-100022

**Kaushal Kishore**  
Partner  
Membership No.: 090075

Place : New Delhi  
Date : May 25, 2023

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

Vineet Manaktala  
Director Finance & Chief Financial Officer  
DIN: 09145644

Alok B. Shriram  
Sr. Managing Director  
DIN: 00203808

Y.D. Gupta  
Vice President & Company Secretary  
Place : New Delhi  
Date : May 25, 2023

S.B Mathur  
Chairman  
DIN: 00013239

Madhav B. Shriram  
Managing Director  
DIN: 00203521

Urvashi Tilakdhar  
Wholetime Director  
DIN: 00294265



## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

### 1. Corporate information

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

### 2. Principles of consolidation and basis of preparation

#### 2.1 Principles of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

#### (i) Subsidiary:

Subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interest in the results and equity of the subsidiary are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in the statement of profit or loss.

#### (ii) Equity accounted investees

The Group's interest in equity accounted investees comprise interest in associate.

An associate is an entity over which the group has significant influence but not control or joint control over the financial and operating policies.

Investments in associate are accounted for using the equity method of accounting. It is initially recognized at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income (OCI) of equity accounted investees until the date on which significant influence ceases.



The details of the entities included in the consolidation and the Parent Company's holding therein is as under:

**Consolidation procedure:**

S. No.	Name of the entity	Nature of relation	Ownership in % either directly or through subsidiary		Country of Incorporation
			2022-23	2021-22	
1	Daurala Foods and Beverages Private Limited (DFBPL)	Subsidiary	100	100	India
2	DCM Shriram Fine Chemicals Limited (DSFCL)	Subsidiary	100	100	India
3	DCM Shriram International Limited	Subsidiary	100	-	India
4	DCM Hyundai Limited (DHL)	Associate	49.28	49.28	India

- 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.
- 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.
- Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment ('PPE'), are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statement of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

## 2.2 Basis of preparation of consolidated financial statements

### a) Statement of compliance

These Consolidated Financial Statements ("Consolidated Financial Statements") of the Group and its associate have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act, as applicable. The accounting policies are applied consistently in the financial statements.

These Consolidated Financial Statements of the Group and its associate for the year ended March 31, 2023, are approved by the Holding Company's Audit Committee and by the Board of Directors on May 25, 2023.

### 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.




## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

### c) Basis of measurement

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following items:

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

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

### d) Critical accounting estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group.

In particular, information about significant areas of estimation/ uncertainty and judgements in applying accounting policies that have the most significant effects on the consolidated financial statements are included in the following notes:

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

## 2A. Significant accounting policies

### a) Operating cycle

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



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

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

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

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

- It is expected to be settled in the group's normal operating cycle,
- It is held primarily for the purpose of being traded,
- It is due to be settled within 12 months after the reporting date, or
- The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

**b) Property, plant and equipment (PPE)**

**(i) Recognition and measurement**

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

Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Capital work-in-progress is stated at cost, net of impairment loss, if any.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition and location for their intended use, and the estimated cost of dismantling and removing the items and restoring the site on which they are located. Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

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

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising on disposal of property, plant and equipment is recognized in the Statement of Profit and Loss. Incomes and expenses related to the incidental operations not necessary to bring the item to the location and the condition necessary for it to be capable of operating in the manner intended by Management are recognized in the Statement of profit and loss.





## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

Once classified as held-for-sale, property, plant and equipment are no longer depreciated. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized.

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

### **(ii) Subsequent expenditure**

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

### **(iii) Depreciation**

Depreciation is provided on a pro-rata basis using the straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013. Assets costing up to Rs. 0.05 lakhs are fully depreciated in the year of purchase. Leasehold improvements are amortised on a straight line basis over the unexpired period of lease. Freehold land and leasehold land are not depreciated.

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

## **c) Intangible assets**

### **(i) Recognition and initial measurement**

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

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

### **(ii) Subsequent expenditure**

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

### **(iii) Amortisation**

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

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

## **d) Inventories**

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

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

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

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

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



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

By-products are valued at estimated net realizable value.

**e) Revenue recognition**

**i. Sale of goods**

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

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable consideration such as volume discounts, cash discounts etc. as specified in the contract with the customer. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

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

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

**ii. Rendering of services**

Revenue from sale of services is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and is recognized in the Statement of Profit and Loss in proportion to the stage of completion of the transaction at the reporting date when the underlying services are performed. Job work is recognized upon full completion of the job work.

**iii. Interest and dividend income**

Interest income and expenses are reported on an accrual basis using the effective interest method and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding. Dividends income from investments is recognised when the shareholder's right to receive payment has been established.

Use of significant judgements in revenue recognition:

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

## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

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

### iv. Income from Renewable Energy Certificates (RECs)

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

### f) Income tax

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

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

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

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

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:
  - temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss at the time of the transaction;
  - temporary differences related to freehold land and investments in subsidiary, to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
  - taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

### *Minimum Alternative Tax (MAT) Credit*

In case of tax payable as Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period



for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as a deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

**g) Employee benefits**

**i) Short-term benefits**

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

**ii) Defined contribution plans**

The defined contribution plans i.e. provident fund (administered through Regional Provident Fund Office), superannuation fund and employee state insurance corporation are post-employment benefit plans under which a Group pays fixed contributions and will have no legal and constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**iii) Defined benefit plans**

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

Gratuity

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

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

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

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

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

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

The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the

## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

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

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

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

### **iv) Other long-term employee benefits**

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

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

### **h) Government Grants**

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

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

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

### **i) Foreign currency transactions and translation**

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

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

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

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

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

### **j) Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS



36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

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

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

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

**k) Provisions and contingent liabilities**

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

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

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

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

The Group does not recognise a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**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.

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

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

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

### m) Leases

#### Group as a lessee

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

- a. the contract involves the use of an identified asset
- b. the Group has substantially all of the economic benefits from use of the asset through the period of the lease and the Group has the right to direct the use of the asset.

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

#### Group as a lessor

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

### n) Earnings per share (EPS)

Basic earnings / (loss) per share are calculated by dividing the net profit or loss for the year attributable to the shareholders of the Group by the weighted average number of equity shares



outstanding at the end of the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus / rights issue, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

**o) Segment reporting**

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

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

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

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

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

Segment policies:

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

**p) Financial instruments**

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

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

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

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

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

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

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

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

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

**Initial recognition and measurement**

With the exception of trade receivables that do not contain a significant financing component, the Group initially measures financial asset at its fair value plus, in the case of a financial asset not



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at fair value through profit or loss, net of transaction costs. Trade receivables do not contain a significant financing component and are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2A (e) Revenue recognition.

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

### Subsequent measurement

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

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

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

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

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

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

### Equity investments

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

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

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

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

### Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on:

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

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



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

#### **Financial liabilities**

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

#### **Offsetting**

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

#### **Derecognition**

##### *(i) Financial assets*

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

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

##### *(ii) Financial liabilities*

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

#### **q) Cash and cash equivalents**

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

#### **r) Research and development**

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

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

#### **s) Dividend**

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate

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laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### t) Goods and services tax input credit

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

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

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii. When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

### u) Assets held for sale

Non current assets or disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non current assets or disposal groups held for sale are measured at the lower of carrying amount and fair value less cost to sell.

A gain or loss of the non-current asset is recognised at the date of de-recognition. Once classified as held-for-sale, property, plant and equipment are no longer amortised or depreciated.

## 2B. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its financial statements.

### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.



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

(Rs.lakhs)

Particulars	Freehold land*	Leasehold land*	Leasehold improvement	Buildings**	Plant and equipment	Vehicles	Office equipment	Furniture and fixtures	Total	Capital work-in-progress
<b>Gross carrying amount</b>										
<b>Balance as at April 1, 2021</b>	789.26	465.35	423.56	5,239.19	47,602.28	940.82	705.73	269.88	56,436.07	2,353.41
Add: Additions during the year		4,083.02	-	102.77	8,754.81	373.78	749.29	46.00	14,109.67	10,637.62
Less: Disposals/Adjustments/ Capitalised during the year	-	2,048.84	-	15.46	307.37	236.27	79.63	48.87	2,736.44	9,733.80
<b>Balance as at March 31, 2022</b>	789.26	2,499.53	423.56	5,326.50	56,049.72	1,078.33	1,375.39	267.01	67,809.30	3,257.23
Add: Additions during the year	<b>34.14</b>	<b>256.32</b>	-	<b>966.69</b>	<b>6,462.32</b>	<b>304.77</b>	<b>222.35</b>	<b>23.66</b>	<b>8,270.25</b>	<b>4,602.45</b>
Less: Disposals/Adjustments/ Capitalised during the year	<b>1.11</b>	-	-	<b>45.25</b>	<b>15.88</b>	<b>95.78</b>	<b>30.61</b>	<b>17.60</b>	<b>206.23</b>	<b>7,639.07</b>
<b>Balance as at March 31, 2023</b>	<b>822.29</b>	<b>2,755.85</b>	<b>423.56</b>	<b>6,247.94</b>	<b>62,496.16</b>	<b>1,287.32</b>	<b>1,567.13</b>	<b>273.07</b>	<b>75,873.32</b>	<b>220.61</b>
<b>Accumulated depreciation</b>										
<b>Balance as at April 1, 2021</b>	-	-	32.62	951.34	7,184.14	404.81	329.98	115.80	9,018.69	-
Add: Depreciation expense for the year	-	-	46.62	174.50	2,257.07	105.62	150.14	40.04	2,773.99	-
Less: Disposals / adjustments during the year	-	-	-	15.46	224.41	168.67	70.13	34.73	513.40	-
<b>Balance as at March 31, 2022</b>	-	-	79.24	1,110.38	9,216.80	341.76	409.99	121.11	11,279.28	-
Add: Depreciation expense for the year	-	-	46.62	158.54	2,432.73	135.25	254.31	35.38	3,062.83	-
Less: Disposals / adjustments during the year	-	-	-	2.72	12.19	49.86	24.03	0.63	89.43	-
<b>Balance as at March 31, 2023</b>	-	-	125.86	1,266.20	11,637.34	427.15	640.27	155.86	14,252.68	-
<b>Net carrying value</b>										
<b>As at March 31, 2023</b>	<b>822.29</b>	<b>2,755.85</b>	<b>297.70</b>	<b>4,981.74</b>	<b>50,858.82</b>	<b>860.17</b>	<b>926.86</b>	<b>117.21</b>	<b>61,620.64</b>	<b>220.61</b>
As at March 31, 2022	789.26	2,499.53	344.32	4,216.12	46,832.92	736.57	965.40	145.90	56,530.03	3,257.23



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Ageing of Capital Work in Progress is as under:

Capital Work in Progress	Amount in Capital Work in Progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(Rs.lakhs)					
<b>As at March 31, 2023</b>					
Projects in progress	220.61			-	220.61
<b>Total</b>	<b>220.61</b>	-	-	-	<b>220.61</b>
<b>As at March 31, 2022</b>					
Projects in progress	1,499.25	377.42	113.49	-	1,990.16
Projects delayed*	1,168.49	98.58	-	-	1,267.07
<b>Total</b>	<b>2,667.74</b>	<b>476.00</b>	<b>113.49</b>	-	<b>3,257.23</b>

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

Details of projects delayed:

Capital Work in Progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(Rs.lakhs)					
<b>As at March 31, 2022</b>					
Project-1	762.70	98.58	-	-	861.28
Project-2	405.79	-	-	-	405.79
<b>Total</b>	<b>1,168.49</b>	<b>98.58</b>	-	-	<b>1,267.07</b>

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

\*\* Includes amount of Rs.33.87 lakhs (March 31, 2022: Nil) assets held for sale (refer note 58)

Notes:

- 1) For contractual commitments with respect to Capital work-in-progress, refer note 42(B).
- 2) For details on PPE mortgaged/charged against borrowings, refer note 56.
- 3) Borrowing cost capitalised during the year Rs. Nil (March 31, 2022- Rs 196.33 lakhs) with a capitalisation rate of Nil (March 31, 2022-3.7% to 10.5% p.a.)
- 4) Leasehold lands are in the nature of perpetual lease.

#### 4. Intangible assets and Intangible assets under development

Particulars	(Rs.lakhs)	
	Intangible assets- Software	Intangible assets under development
<b>Gross carrying amount</b>		
<b>Balance as at April 1, 2021</b>	278.28	60.97
Add: Additions during the year	268.55	-
Less: Disposals / adjustments / capitalized during the year	-	60.97
<b>Balance as at March 31, 2022</b>	<b>546.83</b>	-
Add: Additions during the year	2.12	-
Less: Disposals / adjustments / capitalized during the year	2.39	-
<b>Balance as at March 31, 2023</b>	<b>546.56</b>	-
<b>Accumulated amortisation</b>		
<b>Balance as at April 1, 2021</b>	179.73	-
Amortisation expense for the year	43.21	-
Less: Disposals / adjustments during the year	-	-
<b>Balance as at March 31, 2022</b>	<b>222.94</b>	-
Add: Amortisation expense for the year	87.83	-
Less: Disposals / adjustments during the year	2.37	-
<b>Balance as at March 31, 2023</b>	<b>308.40</b>	-
<b>Net carrying value</b>		
<b>As at March 31, 2023</b>	<b>238.16</b>	-
As at March 31, 2022	323.89	-

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



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)

**5. Equity accounted investees**

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>Investments in equity shares of associate</b>		
<b>Unquoted equity instruments</b>		
DCM Hyundai Limited		
19,72,000 (March 31, 2022 - 19,72,000)		
equity shares of face value of Rs. 10 each, fully paid up	166.00	166.00
Add : Group's share of net profits	1,231.40	1,189.62
	<u>1,397.40</u>	<u>1,355.62</u>

**6. Investments- Non current**

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>Investment in equity instruments- Trade investment</b>		
<b>Unquoted equity instruments</b>		
Daurala Co-operative Development Union Limited		
2 (March 31, 2022 - 2) equity shares of face value of Rs. 10 each, fully paid up*	0.00	0.00
Zyrone Dynamics Havacilik Danismanlik ve Ar-Ge Sanayi ve Ticaret A.S.		
9,797 (March 31, 2022 - 5,878) equity shares of Face value of 1 Turkish Lira each, fully paid up	314.50	180.58
<b>Total</b>	<u>314.50</u>	<u>180.58</u>
<b>Aggregate value of non-current unquoted investments</b>	314.50	180.58

\*The investment is valued at Rs.20

**7. Loans- Non current**

*(unsecured, considered good unless otherwise stated)*

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Loans to employees	62.82	50.02
<b>Total</b>	<u>62.82</u>	<u>50.02</u>

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

**8. Other financial assets- Non current**

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>To related parties (Refer note 46)</b>		
Security deposits (Unsecured, considered good)	30.98	28.85
<b>To parties other than related parties</b>		
Security deposits (Unsecured, considered good)	487.74	431.70
Bank deposits held as margin money or security against borrowings, guarantees and other commitments	20.10	15.12
Interest accrued on term deposits	0.82	0.32
<b>Total</b>	<u>540.64</u>	<u>475.99</u>

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

## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

### 9. Income tax assets (net)

	<u>As at</u> <u>March 31, 2023</u>	<u>As at</u> <u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Advance income tax (net of provision)	1,655.70	1,605.02
<b>Total</b>	<b>1,655.70</b>	<b>1,605.02</b>

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

### 10. Other non-current assets

*(unsecured, considered good unless otherwise stated)*

	<u>As at</u> <u>March 31, 2023</u>	<u>As at</u> <u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
<b>To related parties (Refer note 46)</b>		
Capital advances	24.00	-
<b>To parties other than related parties</b>		
Capital advances	6.17	146.51
<b>Advance other than capital advances</b>		
Deferred rent	3.33	0.35
Government dues paid and recoverable (Refer note 55)	5,309.18	-
Balance with government authorities	237.29	233.88
Other advances	40.06	71.07
Prepaid expenses	18.82	-
<b>Doubtful</b>		
Other advances	-	1.30
	<b>5,638.85</b>	<b>453.11</b>
Less: Loss allowance for other advances	-	1.30
<b>Total</b>	<b>5,638.85</b>	<b>451.81</b>

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

### 11. Inventories

*(Valued at lower of cost and net realisable value)*

	<u>As at</u> <u>March 31, 2023</u>	<u>As at</u> <u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Raw material*	12,639.17	9,494.16
Work in progress	1,927.85	2,568.58
Finished goods**#	42,019.79	44,745.27
Stores and spares	6,896.10	6,461.60
<b>Total</b>	<b>63,482.91</b>	<b>63,269.61</b>

\* Includes raw material in transit Rs. 828.65 lakhs (March 31, 2022: Rs. 905.26 lakhs)

\*\* Includes finished goods in transit Rs. 1,337.47 lakhs (March 31, 2022: Rs. 1768.69 lakhs)

# The write-down of inventories to net realisable value during the year amounted to Rs. 445.46 lakhs (March 31, 2022: Rs. 203.45 lakhs)

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

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



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)

**12. Investments- Current**

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>Investment in mutual funds measured at fair value through profit and loss</b>		
<b>Unquoted investment</b>		
23,916.09 (March 31, 2022: 19,784.63) HDFC Liquid Fund – Growth Direct Plan Units of Rs. 1000 each	1057.86	827.94
2,30,362.72 (March 31, 2022: 34,569.62) ICICI Prudential Liquid Fund – Growth Direct Plan Units of Rs. 100 each	767.53	108.98
28,665.21 (March 31, 2022: 1,616.24) SBI Liquid Fund – Growth Direct Plan Units of Rs. 1000 each	1009.96	53.87
<b>Total</b>	<b>2,835.35</b>	<b>990.79</b>
Aggregate amount of unquoted investments	2,835.35	990.79

**13. Trade receivables**

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>To parties other than related parties</b>		
Unsecured, considered good	24,224.22	25,495.06
Unsecured, credit impaired	34.97	24.87
	<b>24,259.19</b>	<b>25,519.93</b>
Less : Loss allowance for trade receivables	34.97	24.87
<b>Total</b>	<b>24,224.22</b>	<b>25,495.06</b>

**Ageing of Trade Receivable as on March 31, 2023 is as under:**

Particulars	Not due	Outstanding for following periods from due date of payment*					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
- Undisputed Trade Receivables- considered good	23,139.08	988.30	4.82	8.67	7.62	0.70	24,149.19
- Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
- Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
- Disputed Trade Receivables- considered good	-	-	-	75.03	-	-	75.03
- Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
- Disputed Trade Receivables- credit impaired	-	-	-	10.10	-	24.87	34.97
<b>Total</b>	<b>23,139.08</b>	<b>988.30</b>	<b>4.82</b>	<b>93.80</b>	<b>7.62</b>	<b>25.57</b>	<b>24,259.19</b>

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

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

Particulars	Not due	Outstanding for following periods from due date of payment*					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
- Undisputed Trade Receivables- considered good	24,710.90	772.92	5.86	-	3.95	1.43	25,495.06
- Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
- Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
- Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
- Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
- Disputed Trade Receivables- credit impaired	-	-	-	-	-	24.87	24.87
<b>Total</b>	<b>24,710.90</b>	<b>772.92</b>	<b>5.86</b>	<b>-</b>	<b>3.95</b>	<b>26.30</b>	<b>25,519.93</b>

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

The Group exposure to credit and currency risks are disclosed in note 47.

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





## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

### 14. Cash and cash equivalents

	<b>As at March 31, 2023 Rs. lakhs</b>	<b>As at March 31, 2022 Rs. lakhs</b>
Balances with banks		
- On current accounts	767.69	696.78
- Deposits with original maturity of less than three months	-	126.45
Cash on hand	16.55	18.85
<b>Total</b>	<b>784.24</b>	<b>842.08</b>

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

### 15. Other bank balances

	<b>As at March 31, 2023 Rs. lakhs</b>	<b>As at March 31, 2022 Rs. lakhs</b>
Deposits with maturity of more than three months but upto twelve months		
- in deposit accounts	979.34	1,230.46
- earmarked deposits held as margin money or security against borrowings, guarantees and other commitments	538.12	455.74
Earmarked balances with banks – unclaimed dividend accounts	210.89	199.03
<b>Total</b>	<b>1,728.35</b>	<b>1,885.23</b>

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

### 16. Loans - Current

*(unsecured, considered good unless otherwise stated)*

	<b>As at March 31, 2023 Rs. lakhs</b>	<b>As at March 31, 2022 Rs. lakhs</b>
Loans to employees (including accrued interest)	18.56	5.73
Others	0.62	0.06
<b>Total</b>	<b>19.18</b>	<b>5.79</b>

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

### 17. Other financial assets - Current

*(unsecured, considered good unless otherwise stated)*

	<b>As at March 31, 2023 Rs. lakhs</b>	<b>As at March 31, 2022 Rs. lakhs</b>
<b>To parties other than related parties</b>		
Security deposits	-	0.53
Interest accrued on term deposits	81.47	71.96
Government grant receivable	151.62	181.37
Reimbursement assets (Refer note 55)	26,312.70	15,550.43
Others	283.70	123.92
<b>Total</b>	<b>26,829.49</b>	<b>15,928.21</b>

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



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)

**18. Other current assets**

(unsecured, considered good unless otherwise stated)

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>To parties other than related parties</b>		
Advances to contractors	272.51	561.59
<b>Other advances</b>		
Advance to employees	22.76	16.03
Balance with government authorities	1,053.16	1358.97
Duty drawback & other incentive receivables	76.07	848.05
Prepaid expense	322.36	365.08
Net defined benefit asset- Gratuity	308.76	503.18
Others	111.27	74.23
<b>Doubtful</b>		
Duty drawback and other incentive receivables	-	22.67
	<u>2,166.89</u>	<u>3,749.80</u>
Less: Loss allowance	-	22.67
<b>Total</b>	<u>2,166.89</u>	<u>3,727.13</u>

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

**19. Equity share capital**

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>a) Authorised</b>		
32,50,00,000 equity shares of Rs. 2 each (March 31, 2022: 32,50,00,000 of Rs. 2 each)	6,500.00	6,500.00
<b>b) Issued, subscribed and fully paid-up</b>		
8,69,92,185 equity shares of Rs. 2 each fully paid-up (March 31, 2022: 8,69,92,185 of Rs. 2 each)	1,739.84	1,739.84

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount Rs. lakhs	Number of shares	Amount Rs. lakhs
<b>Equity shares</b>				
At the commencement of the year	8,69,92,185	1,739.84	1,73,98,437	1,739.84
Adjustment for sub-division of equity shares	-	-	6,95,93,748	-
Add: Shares issued	-	-	-	-
<b>At the end of the year (Refer note 60)</b>	<b>8,69,92,185</b>	<b>1,739.84</b>	<b>8,69,92,185</b>	<b>1,739.84</b>

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

The Holding Company has one class of equity shares having a par value of Rs. 2 per share (sub-divided during the previous year from Rs. 10 per share- Refer note 60). Each shareholder is eligible for one vote per share held. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amount. The distribution will be in proportion to the equity shares held by the shareholder.

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

## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Lily Commercial Private Limited	1,63,21,115	18.11	1,57,51,765	18.11
Versa Trading Limited	1,33,03,540	14.82	1,28,87,910	14.82
HB Portfolio Limited	60,21,756	7.13	62,05,984	7.13
Bantam Enterprises Private Limited	67,84,840	7.80	67,84,840	7.80

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

S. No.	Promoter Name	As at March 31, 2023			As at March 31, 2022		
		Number of shares @ Rs 2 each	% of total shares	% Change during the year	Number of shares @ Rs. 2 each	% of total shares	% Change during the year
1	Lily Commercial Pvt. Ltd.	1,63,21,115	18.76	3.61%	1,57,51,765	18.11	-
2	Versa Trading Private Limited	1,33,03,540	15.29	3.22%	1,28,87,910	14.82	-
3	Bantam Enterprises Pvt Ltd.	67,84,840	7.80	0.00%	67,84,840	7.80	-
4	Hi-Vac Wares Private Limited	39,66,285	4.56	0.00%	39,66,285	4.56	-
5	H. R. Travels Pvt. Ltd.	32,12,900	3.69	0.00%	32,12,900	3.69	-
6	Suman Bansi Dhar	-	-	-100.00%	2,84,060	0.33	-
7	Lala Bansi Dhar & Sons	-	-	-100.00%	2,69,580	0.31	-
8	Madhav B Shriram	-	-	-100.00%	1,88,880	0.22	-
9	Alok B. Shriram	-	-	-100.00%	80,180	0.09	-
10	Urvashi Tilak Dhar	-	-	-100.00%	61,685	0.07	-
11	Kanika Shriram	-	-	-100.00%	47,500	0.05	-
12	DCM Hyundai Limited	-	-	-100.00%	20,865	0.02	-
13	Karuna Shriram	-	-	-100.00%	21,730	0.02	-
14	Rudra Shriram	-	-	-100.00%	10,500	0.01	-
15	Aditi Dhar	500	0.00	0.00%	500	0.00	-
16	Akshay Dhar	500	0.00	0.00%	500	0.00	-
17	Divya Shriram	435	0.00	0.00%	435	0.00	-
	<b>Total</b>	<b>4,35,90,115</b>	<b>50.09</b>	<b>0.00%</b>	<b>4,35,90,115</b>	<b>50.10</b>	<b>-</b>

### f) Issue of shares for other than cash

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

## 20. Other equity

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>a. Amalgamation reserve</b>		
Balance as at the beginning and at the end of the year	1,411.38	1,411.38
<b>b. General reserve</b>		
Balance as at the beginning and at the end of the year	13,465.60	13,465.60
<b>c. Capital redemption reserve</b>		
Balance as at the beginning and at the end of the year	0.10	0.10
<b>d. Capital reserve</b>		
Balance as at the beginning and at the end of the year	234.89	234.89
<b>e. Securities Premium</b>		
Balance as at the beginning and at the end of the year	3,406.68	3,406.68
<b>f. Retained earnings</b>		
Balance as at the beginning of the year	46,932.96	41,428.98
Add: Profit for the year	6,016.01	6,624.32
Items of other comprehensive income/ (expense) recognised directly in retained earnings		
Remeasurement of employee benefit obligation, net of tax*	(237.89)	181.90
Share of equity accounted investees	2.05	2.64
Less: Appropriations		
Final dividend on equity shares [Dividend per share Rs. 0.5/- per share of nominal value of Rs. 2/- each (March 31, 2022: Rs. 2.5/- per share of nominal value of Rs. 10/- each)]	(434.96)	(434.96)
Interim dividend on equity shares [Dividend per share Rs. 1/- per share of nominal value of Rs. 2/- each (March 31, 2022: Rs. 1/- per share of nominal value of Rs. 2/- each)]	(869.92)	(869.92)
<b>Balance at the end of the year</b>	<b>51,408.25</b>	<b>46,932.96</b>
<b>Total</b>	<b>69,926.90</b>	<b>65,451.61</b>

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



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)

21. Borrowings

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>From related parties (Refer note 46)</b>		
<b>Unsecured loans</b>		
Public Deposits	437.04	437.04
<b>From parties other than related parties</b>		
<b>Secured loans</b>		
Term loans from banks	13,109.57	19,144.24
Term loans from others	469.71	562.74
Deferred payment liability	305.07	610.15
<b>Unsecured loans</b>		
Public deposits	479.52	503.03
	<u>14,800.91</u>	<u>21,257.20</u>
Less: Current maturity of long term borrowing	7,469.90	8,050.67
<b>Total</b>	<u>7,331.01</u>	<u>13,206.53</u>
<b>Details of current maturity of long term borrowing:</b>		
<b>Secured loans</b>		
Term loans from banks	6,793.10	7,353.96
Term loans from others	115.07	93.03
Deferred payment liability	305.07	305.07
<b>Unsecured loans</b>		
Public deposits	256.66	298.61
	<u>7,469.90</u>	<u>8,050.67</u>

A. SECURED LOANS

I. From Banks

- a) Nil (March 31,2022: Rs.156.25 lakhs) and Nil (March 31,2022: Rs.66.50 lakhs) were carrying interest linked to 1 year MCLR and secured by a first mortgage and charge on all the immovable and movable properties of the Company excluding all assets of Daurala Organics, a unit of the Company and assets on exclusive charges.
- b) Nil (March 31,2022: Rs.104.07 lakhs) was carrying interest linked to 1 year MCLR and secured by first exclusive charge on specific movable assets of Sugar division of Daurala Sugar Works, a unit of the Company.
- c) Rs.1,356.04 lakhs (March 31,2022: Rs.2,440.87 lakhs) carrying interest of 5% p.a., repayable in 15 monthly instalments, is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.
- d) Rs.267.19 lakhs (March 31,2022: Rs.531.77 lakhs), Rs.180.18 lakhs (March 31,2022: Rs.368.08 lakhs) and Rs.2,076.41 lakhs (March 31,2022: Rs.3,108.77 lakhs) carrying interest linked to lender's 1 year MCLR, repayable in 4, 4 and 8 quarterly instalments respectively, are secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.
- e) Rs.4,338.97 Lakhs (March 31,2022: Rs.3,922.18 Lakhs) carrying interest linked to lender's 1 year MCLR and spread thereon, repayable in 14 quarterly instalments, is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.
- f) Rs.2,941.50 lakhs (March 31,2022: Rs.4,002.76 lakhs) carrying interest of 8% p.a., repayable in 36 monthly installments, is secured by first pari-passu charge by way of mortgage/hypothecation on all the Fixed Assets of the Company excluding assets on exclusive charges.



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- g) Rs.333.26 lakhs (March 31,2022: Rs.1,666.62 lakhs) and Rs.781.25 lakhs (March 31,2022: Rs.1,406.25 lakhs) carrying interest rate of 8.95% p.a., repayable in 1 and 5 quarterly instalments respectively, are secured by residual pari-passu charge on fixed assets of sugar factory at Daurala Sugar Works, a unit of the Company.
- h) Rs.762.90 lakhs (March 31,2022: Rs.1,370.20 lakhs) carrying interest linked to lender's 1 year MCLR and spread thereon with 50% interest subvention on part of the loan, repayable in 5 quarterly instalments, is secured by first charge on specific movable assets of Distillery division of Daurala Sugar Works, a unit of the Company.
- i) Rs.71.87 Lakhs (March 31,2022: Nil) is secured by hypothecation of specific asset carrying interest of 8.50%, repayable in 57 monthly instalments.

### II. From Others

- a) Rs.445.05 lakhs (March 31,2022: Rs.494.50 lakhs) and Nil (March 31,2022: Rs.28.44 lakhs) carrying interest linked to RBI's Bank rate minus 2%., repayable in 9 half yearly instalments, is/was secured by first pari-passu charge on immovable and movable properties of sugar factory at Daurala Sugar Works, a unit of the Company.
- b) Rs.24.66 lakhs (March 31,2022: Rs.39.80 lakhs) is secured by hypothecation of specific asset carrying interest of 6.63%, repayable in 18 monthly instalments.

### III. Deferred payment liability

- a) Rs.305.07 lakhs (March 31,2022: Rs.610.15 lakhs) carrying interest rate of 10.50% repayable in 4 quarterly instalments is secured against specific immoveable property of a wholly owned subsidiary, DCM Shriram Fine Chemicals Limited, of the Company.

## B. UNSECURED LOANS

Rs.916.56 lakhs (March 31,2022: Rs.940.07 lakhs), Deposits from public, carries interest between 9.5% p.a to 10.50% p.a., are currently repayable after 3 years from the date of acceptance of deposits.

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

## 22. Other financial liabilities- Non current

	<u>As at</u> <u>March 31, 2023</u> Rs. lakhs	<u>As at</u> <u>March 31, 2022</u> Rs. lakhs
<b>From related parties (Refer note 46)</b>		
Interest accrued but not due on borrowings	28.28	16.01
<b>From parties other than related parties</b>		
Interest accrued but not due on borrowings	1.08	14.20
Deposits from contractors and others	10.29	10.22
Due to customer (Refer note 55)	5,331.53	-
Others	44.52	53.80
<b>Total</b>	<u>5,415.70</u>	<u>94.23</u>

## 23. Provisions- Non current

	<u>As at</u> <u>March 31, 2023</u> Rs. lakhs	<u>As at</u> <u>March 31, 2022</u> Rs. lakhs
Provision for employee benefits (Refer note 45)		
- Compensated absences	903.95	1,029.43
- Provident fund trust	-	85.50
Provision for contingencies*	100.00	100.00
<b>Total</b>	<u>1,003.95</u>	<u>1,214.93</u>

\* Provision for contingencies represents the maximum possible exposure on ultimate settlement of issues relating to reorganisation arrangement of the Holding Company. There is no movement in the provision during the year.

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Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)

**24. Other non-current liabilities**

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Others	58.85	51.08
<b>Total</b>	<b>58.85</b>	<b>51.08</b>

**25. Borrowings**

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>Secured loans</b>		
From banks - loans repayable on demand*	34,699.08	33,572.92
Current maturities of long term borrowings (refer note 21)	7,469.90	8,050.67
<b>Total</b>	<b>42,168.98</b>	<b>41,623.59</b>

\* Secured by first pari-passu charge against the division's current and non-current assets (except reimbursement asset and division's property, plant and equipments), both present and future. Some of these are further secured by way of second pari-passu charge on the Divisions's property, plant and equipment. These carry interest rate ranging from 1.25% to 9.50% p.a. (March 31, 2022: 1.15% to 8.05% p.a.). Also refer note 56.

**26. Trade payables**

	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Total outstanding dues of micro enterprises and small enterprises*	1,215.71	1,263.91
Total outstanding dues other than micro enterprises and small enterprises#	26,260.72	25,326.51
<b>Total</b>	<b>27,476.43</b>	<b>26,590.42</b>

Ageing of trade payable as on March 31, 2023 is as under :

Particulars	Unbilled dues	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
- MSME	24.82	1,190.89	-		-	1,215.71
- Others	1,817.46	23,762.40	676.92	3.94	-	26,260.72
- Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>1,842.28</b>	<b>24,953.29</b>	<b>676.92</b>	<b>3.94</b>	<b>-</b>	<b>27,476.43</b>

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

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

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
- MSME	1,263.91	-	-	-	1,263.91
- Others	24,916.60	239.59	87.54	2.80	25,246.53
- Disputed dues - Others	-	-	-	79.98	79.98
<b>Total</b>	<b>26,180.51</b>	<b>239.59</b>	<b>87.54</b>	<b>82.78</b>	<b>26,590.42</b>

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

\* Refer note 52 for Micro and Small Enterprises.

# Includes payable to related parties Rs.113.36 lakhs (March 31, 2022 Rs. 588.10 lakhs), refer note 46.

**Notes:**

a) Includes acceptances Rs. 4907.96 lakhs (March 31, 2022 Rs. 3,285.60 lakhs).

b) The Group exposure to currency and liquidity risks related to trade payables is disclosed in Note 47.

## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

### 27. Other financial liabilities- Current

	As at <u>March 31, 2023</u> Rs. lakhs	As at <u>March 31, 2022</u> Rs. lakhs
<b>From related parties (Refer note 46)</b>		
Interest accrued but not due on borrowings	32.77	16.37
Creditors for capital purchases	-	2.28
Employees related payable	481.67	-
<b>From Parties other than Related Parties</b>		
Creditors for capital purchases	387.84	528.52
Security deposits	476.42	983.76
Interest accrued but not due on borrowings	110.67	114.29
Unclaimed dividends*	210.89	199.03
Unclaimed deposits and interest accrued thereon	-	8.01
Other payables		
- Deposits from contractors and others	600.38	353.45
- Employees related payable	1,954.71	1,006.96
- Others	63.25	24.62
<b>Total</b>	<u>4,318.60</u>	<u>3,237.29</u>

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

### 28. Other current liabilities

	As at <u>March 31, 2023</u> Rs. lakhs	As at <u>March 31, 2022</u> Rs. lakhs
Advances from customers	487.23	504.51
Statutory dues payable	907.36	1,715.13
Others	154.98	161.76
<b>Total</b>	<u>1,549.57</u>	<u>2,381.40</u>

### 29. Provision- Current

	As at <u>March 31, 2023</u> Rs. lakhs	As at <u>March 31, 2022</u> Rs. lakhs
Provision for employee benefits (Refer note 45)		
- Compensated absences	604.37	364.94
- Provident fund trust	89.04	-
Provision for contingencies (Refer note 55)	26,312.70	15,733.25
Others*	-	287.94
<b>Total</b>	<u>27,006.10</u>	<u>16,386.13</u>

\* Expected claims from customer in respect of past sales made and not settled.



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Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)

**30. Revenue from operations**

	For the year ended <u>March 31, 2023</u> Rs. lakhs	For the year ended <u>March 31, 2022</u> Rs. lakhs
<b>Sale of products@</b>		
Export	48,434.05	46,438.72
Domestic #	1,78,524.11	1,56,808.06
	<u>2,26,958.16</u>	<u>2,03,246.78</u>
<b>Sale of services@</b>		
Processing charges	5,733.65	5,259.37
Others	-	-
	<u>5,733.65</u>	<u>5,259.37</u>
<b>Other operating revenue</b>		
Sale of scrap	971.94	1,383.70
Duty draw back, export benefits and other government assistance*	1,057.57	1,254.40
Sale of renewable energy certificates	197.27	996.98
Others	173.88	170.59
<b>Total</b>	<u>2,35,092.47</u>	<u>2,12,311.82</u>

# Includes Rs. Nil (March 31, 2022: Rs.1,356.01 lakhs) in respect of sales made to domestic parties to fulfill export obligation as per Maximum Admissible Export Quantity (MAEQ) Scheme.

\* Refer note 53

@ Refer note 40 for disaggregation of revenue

	As at <u>March 31, 2023</u> Rs. lakhs	As at <u>March 31, 2022</u> Rs. lakhs
<b>Contract balances</b>		
Trade receivables (Refer note 13)	24,224.22	25,495.06
<b>Contract liabilities</b>		
Advances from customers (Refer note 28)	487.23	504.51

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

	For the year ended <u>March 31, 2023</u> Rs. lakhs	For the year ended <u>March 31, 2022</u> Rs. lakhs
Contracted price	2,33,126.53	2,08,842.18
Less: Discounts	434.72	336.02
	<u>2,32,691.81</u>	<u>2,08,506.16</u>



## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

### 31. Other income

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Interest income from financial assets measured at amortised cost		
- From deposits with banks	106.78	102.70
- Unwinding of discount on security deposits	0.36	0.56
- Interest subsidy*	290.81	299.58
Provisions/liabilities no longer required, written back	342.20	603.54
Rental income	101.28	54.42
Profit on sale of property, plant and equipment (net)	16.38	168.72
Profit on sale of current investments	43.98	27.81
Net change in fair value of financial assets measured at fair value through profit or loss	66.29	26.38
Gain on foreign exchange fluctuation (net)	676.56	959.01
Miscellaneous income	106.08	91.07
<b>Total</b>	<b>1,750.73</b>	<b>2,333.79</b>

\* Refer note 53.

### 32. Cost of material consumed

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Raw materials at the beginning of the year	9,494.16	13,669.53
Add: Purchases	1,33,734.87	1,13,685.27
	1,43,229.03	1,27,354.80
Less: Raw materials at the end of the year	12,639.73	9,494.16
<b>Total</b>	<b>1,30,589.30</b>	<b>1,17,860.64</b>

#### Particulars of materials consumed are as under:

Sugarcane	82,556.37	78,149.74
Wood pulp	11,145.76	8,715.79
Others	36,887.17	30,995.11
<b>Total</b>	<b>1,30,589.30</b>	<b>1,17,860.64</b>

### 33. Purchase of traded goods

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Grain spirits	24,148.52	19,479.66
<b>Total</b>	<b>24,148.52</b>	<b>19,479.66</b>



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)

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

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
<b>Opening stock</b>		
Finished goods	44,745.27	45,473.42
Work-in-progress	2,568.58	1,773.17
<b>Total</b>	<u>47,313.85</u>	<u>47,246.59</u>
<b>Closing stock</b>		
Finished goods	42,019.79	44,745.27
Work-in-progress	1,927.85	2,568.58
<b>Total</b>	<u>43,947.64</u>	<u>47,313.85</u>
	<u>3,366.21</u>	<u>(67.26)</u>
<b>Particulars of stocks of finished goods and work-in-progress are as under :</b>		
<b>Finished goods</b>		
Sugar	33,913.56	41,001.46
Alcohol	827.24	859.86
Organic/ Fine chemicals	441.20	456.66
Industrial fibers	6,837.79	2,427.30
<b>Total</b>	<u>42,019.79</u>	<u>44,745.28</u>
<b>Work-in-progress</b>		
Sugar	640.74	879.44
Alcohol	194.49	140.73
Organic/ Fine chemicals	518.49	890.98
Industrial fibers	574.13	657.43
<b>Total</b>	<u>1,927.85</u>	<u>2,568.58</u>

**35. Employee benefits expense**

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Salaries, wages and bonus* #	16,274.10	14,821.36
Contribution to provident and other funds*	1,882.42	1,289.79
Staff welfare expenses	481.00	411.14
<b>Total</b>	<u>18,637.52</u>	<u>16,522.29</u>
* Refer note 45		
# Includes payment to contractual labour		

**36. Finance costs**

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Interest expense*#	3,283.07	3,924.58
Other borrowing costs	70.93	96.66
<b>Total</b>	<u>3,354.00</u>	<u>4,021.24</u>
* Refer note 53		
# includes Rs. 148.59 lakhs interest on lease liabilities (March 31,2022:Rs.179.77 lakhs)		

**37. Depreciation and amortisation expense**

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Depreciation on property, plant and equipment	3,062.83	2,773.99
Amortisation on intangible assets	87.83	43.21
Amortisation on right-of-use assets	439.21	457.91
<b>Total</b>	<u>3,589.87</u>	<u>3,275.11</u>

*[Handwritten signature]*



## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

### 38. Other expenses

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Consumption of stores and spares	11,738.42	12,612.13
Power and fuel	11,818.00	11,378.70
Repair and maintenance		
- Buildings	826.74	694.05
- Plant and machinery	5,838.13	6,271.14
Rent (Refer note 41)	64.68	86.97
Payment to auditors		
- As auditors	60.71	52.84
- Limited review of unaudited financial results	37.50	30.00
- Verification of statements and other records	4.07	0.35
- Out-of-pocket expenses	6.99	4.51
Insurance	314.88	296.69
Rates and taxes	395.18	222.96
Freight and transport	2,221.81	2,791.76
Commission to selling agents	2,655.10	2,232.97
Corporate social responsibility (refer note below)	180.11	183.66
Provision for export benefits	-	22.67
Provision for doubtful debt	10.10	-
Miscellaneous expense	7,929.55	7,440.62
<b>Total</b>	<b>44,101.97</b>	<b>44,322.02</b>

#### Note: Details of corporate social responsibility expenditure

a) Amount required to be spent by the Group during the year	187.22	188.64
b) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	175.13	183.66
c) Amount unspent*	12.09	4.98

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
<b>d) Nature of CSR activities</b>		
(i) Promoting health care including preventive health and sanitation	22.93	110.91
(ii) Promoting education, including special education and employment	52.62	5.00
(iii) Empowering women and support to senior citizen	3.08	0.26
(iv) Environmental sustainability and conservation of natural resources and maintaining quality of soil, air and water	21.40	2.53
(v) Promotion and development of traditional arts and handicrafts	21.94	21.66
(vi) Measures for the benefit of armed forces veterans and war widows	10.00	21.00
(vii) Training to promote rural sports	5.90	-
(viii) Contribution to Prime Minister's National Relief Fund and PM CARES Fund	18.75	8.30
(ix) Rural development project	13.01	9.00
(x) Amount spent in administrative overhead	5.50	5.00
	<b>175.13</b>	<b>183.66</b>

e) Details of related party transactions in relation to CSR expenditure (Refer note 46)

\* Spent subsequent to the year end



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)

**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, 2023 and March 31, 2022 are:

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Current tax expense	2,260.20	2,151.83
Deferred tax charge	819.33	499.21
<b>Income tax expense reported in the statement of profit and loss</b>	<b>3,079.53</b>	<b>2,651.04</b>

**B. Amounts recognised in other comprehensive income**

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
<b>Income tax</b>		
Remeasurement of post employment benefit obligation	127.78	(97.71)
<b>Income tax charged to other comprehensive income/(expense)</b>	<b>127.78</b>	<b>(97.71)</b>

**C. Reconciliation of effective tax rate #**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2023 and March 31, 2022:

	For the year ended March 31, 2023 Rs. lakhs		For the year ended March 31, 2022 Rs. lakhs	
	Rate	Amount	Rate	Amount
<b>Profit before tax from continuing operations, including OCI</b>				
- Holding company	34.94%	8,664.70	34.94%	9,480.83
- Subsidiary company	26.00%	25.44	26.00%	30.69
Tax using the Group's domestic tax rate	34.92%	3,034.41	34.92%	3,320.96
Tax effect of:				
Non-deductible expenses	0.72%	62.94	0.51%	48.56
Impact on Deferred Tax due to change in tax rate for future years	-3.09%	(268.86)	-3.93%	(374.03)
Capital loss not expected to be set-off in near future	0.00%		-0.77%	(73.38)
Others	1.42%	123.26	-1.82%	(173.36)
<b>Effective tax rate</b>	<b>33.97%</b>	<b>2,951.75</b>	<b>31.63%</b>	<b>2,748.75</b>

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

**D. Deferred tax assets/liabilities**

(Rs. lakhs)

Particulars	Deferred tax assets		Deferred tax liabilities		Net deferred tax assets/ (liabilities)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Accrued expense deductible on payment	261.95	307.15	-	-	261.95	307.15
Provision for gratuity, compensated absences and other	419.17	311.42	-	-	419.17	311.42
Loss allowance for trade receivables	12.22	8.69	-	-	12.22	8.69
Loss allowance for other assets	7.48	8.38	-	-	7.48	8.38
Difference in book written down value and tax written down value of property, plant and equipment/ intangible assets	-	-	8,034.11	7,360.11	(8,034.11)	(7,360.11)
Others	144.49	150.35	300.68	223.79	(156.19)	(73.44)
	845.31	785.98	8,334.79	7,583.90	(7,489.48)	(6,797.93)
<b>MAT credit entitlement **</b>	<b>1,911.34</b>	<b>2,628.71</b>	<b>-</b>	<b>-</b>	<b>1,911.34</b>	<b>2,628.71</b>
<b>Net Deferred tax liabilities</b>	<b>2,756.65</b>	<b>3,414.69</b>	<b>8,334.79</b>	<b>7,583.90</b>	<b>(5,578.14)</b>	<b>(4,169.22)</b>

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

**E. Movement in temporary differences**

For the year ended 31 March 2023

(Rs.Lakhs)

Particulars	Opening balance	Recognised in statement of Profit & Loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets</b>				
Accrued expense deductible on payment	307.15	(45.20)	-	261.95
Provision for gratuity, compensated absences and other employee benefits	311.42	(20.03)	127.78	419.17
Loss allowance for trade receivables	8.69	3.53	-	12.22
Loss allowance for other assets	8.38	(0.90)	-	7.48
Others	150.35	(5.86)	-	144.49
	785.99	(68.46)	127.78	845.31
<b>Deferred tax liabilities</b>				
Difference in book written down value and tax written down value of property, plant and equipment/ intangible assets	(7,360.11)	(674.00)	-	(8,034.11)
Others	(223.79)	(76.89)	-	(300.68)
	(7,583.90)	(750.89)	-	(8,334.79)
<b>Total</b>	<b>(6,797.91)</b>	<b>(819.35)</b>	<b>127.78</b>	<b>(7,489.48)</b>



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)

For the year ended 31 March 2022

(Rs.Lakhs)

Particulars	Opening balance	Recognised in statement of Profit & Loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets</b>				
Accrued expense deductible on payment	249.41	57.74	-	307.15
Provision for gratuity, compensated absences and other employee benefits	419.08	(9.96)	(97.71)	311.42
Loss allowance for trade receivables	8.69	(0.00)	-	8.69
Loss allowance for other assets	0.45	7.93	-	8.38
Others	170.03	(19.68)	-	150.35
	847.66	36.02	(97.71)	785.99
<b>Deferred tax liabilities</b>				
Difference in book written down value and tax written down value of property, plant and equipment/ intangible assets	(6,819.21)	(540.91)	-	(7,360.11)
Others	(229.45)	5.66	-	(223.79)
	(7,048.66)	(535.24)	-	(7,583.90)
<b>Total</b>	<b>(6,201.00)</b>	<b>(499.22)</b>	<b>(97.71)</b>	<b>(6,797.91)</b>

F. Availability of MAT Credit is upto:

Financial year	As at March 31, 2023 Rs. lakhs Amount	As at March 31, 2022 Rs. lakhs Amount
2029-30	18.00	157.70
2030-31	273.41	851.08
2032-33	996.93	996.93
2033-34	623.00	623.00
	1,911.34	2,628.71

40. Operating segments

A. Basis for segmentation

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

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

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

a) Segment revenue and expenses

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

b) Segment assets and liabilities

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

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

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



## B. Information about reportable segments

(Rs. lakhs)

Particulars	Reportable segments						Elimination		Total	
	Sugar		Industrial fibres and related products		Chemicals		For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022				
<b>Segment revenue</b>										
- External revenues	1,42,061.35	1,27,525.82	45,122.94	43,040.83	45,507.52	37,939.49	-	-	2,32,691.81	2,08,506.15
- Inter segment revenue	-	-	-	-	-	-	-	-	-	-
- Other operating revenue	831.21	2,288.51	1,269.48	1,154.81	299.97	362.35	-	-	2,400.66	3,805.67
<b>Subtotal</b>	<b>1,42,892.56</b>	<b>1,29,814.33</b>	<b>46,392.42</b>	<b>44,195.64</b>	<b>45,807.49</b>	<b>38,301.85</b>	-	-	<b>2,35,092.47</b>	<b>2,12,311.82</b>
- Other income	234.07	399.15	798.18	846.22	193.54	129.25	-	-	1,225.79	1,374.62
- Unallocable income	-	-	-	-	-	-	-	-	524.94	959.17
<b>Total segment revenue</b>	<b>1,43,126.63</b>	<b>1,30,213.48</b>	<b>47,190.60</b>	<b>45,041.86</b>	<b>46,001.03</b>	<b>38,431.10</b>	-	-	<b>2,36,843.20</b>	<b>2,14,645.61</b>
<b>Segment results</b>	<b>4,847.69</b>	<b>7,969.89</b>	<b>6,630.08</b>	<b>4,543.47</b>	<b>4,545.06</b>	<b>3,851.27</b>	-	-	<b>16,022.83</b>	<b>16,364.63</b>
Unallocated expenses (net of unallocated income)									3,613.02	3,111.48
<b>Operating profit</b>									<b>12,409.81</b>	<b>13,253.15</b>
Finance costs									3,354.00	4,021.24
<b>Profit before share of profit of equity accounted investees and tax</b>									<b>9,055.81</b>	<b>9,231.91</b>
Share of profit/(loss) of equity accounted investees (net of tax)									39.73	43.45
Profit before tax									9,095.54	9,275.36
Current tax expense									2,260.20	2,151.83
Deferred tax (credit)/ charge									819.33	499.21
<b>Net profit after tax</b>									<b>6,016.01</b>	<b>6,624.32</b>
<b>Capital expenditure during the year</b>	<b>1,710.07</b>	<b>7,097.76</b>	<b>1,320.33</b>	<b>2,012.49</b>	<b>1,765.46</b>	<b>3,826.00</b>	-	-	<b>4,795.86</b>	<b>12,936.25</b>
Unallocated capital expenditure during the year									439.89	2,283.50
<b>Total capital expenditure during the year</b>									<b>5,235.75</b>	<b>15,219.75</b>
<b>Depreciation</b>	<b>1,358.80</b>	<b>1,052.29</b>	<b>1,051.38</b>	<b>1,033.95</b>	<b>628.10</b>	<b>606.77</b>	-	-	<b>3,038.28</b>	<b>2,693.01</b>
Unallocated depreciation during the year									551.59	582.10
<b>Total depreciation during the year</b>									<b>3,589.87</b>	<b>3,275.11</b>
Non cash expense other than depreciation	2.67	0.20	0.34	54.80	10.80	0.75	-	-	13.81	55.75
Unallocated non cash expense other than depreciation during the year									0.31	7.48
<b>Total non cash expense other than depreciation during the year</b>									<b>14.12</b>	<b>63.23</b>

CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)

(Rs.Lakhs)

Particulars	Reportable segments						Elimination		Total	
	Sugar		Industrial fibres and related products		Chemicals					
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Segment assets	1,09,690.22	1,00,707.85	48,042.55	41,484.86	23,512.22	23,459.52	-	-	1,81,244.99	1,65,652.23
Unallocated assets									13,861.98	12,271.70
<b>Total assets</b>	<b>1,09,690.22</b>	<b>1,00,707.85</b>	<b>48,042.55</b>	<b>41,484.86</b>	<b>23,512.22</b>	<b>23,459.52</b>	<b>-</b>	<b>-</b>	<b>1,95,106.97</b>	<b>1,77,923.93</b>
Segment liabilities	45,512.24	30,985.88	13,424.34	11,010.50	6,346.97	6,047.08	-	-	65,283.55	48,043.46
Share capital and reserves									71,666.74	67,191.45
Unallocated liabilities										
-Borrowings	-	-	-	-	-	-	-	-	49,672.80	54,999.06
-Others	-	-	-	-	-	-	-	-	8,483.88	7,689.96
<b>Total liabilities</b>	<b>45,512.24</b>	<b>30,985.88</b>	<b>13,424.34</b>	<b>11,010.50</b>	<b>6,346.97</b>	<b>6,047.08</b>	<b>-</b>	<b>-</b>	<b>1,95,106.97</b>	<b>1,77,923.93</b>
Capital employed	64,177.98	69,721.96	34,618.21	30,474.36	17,165.25	17,412.45	-	-	1,15,961.44	1,17,608.77





## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

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

	For the year ended <u>March 31, 2023</u> Rs. lakhs	For the year ended <u>March 31, 2022</u> Rs. lakhs
<b>i Total income</b>		
Total revenue for reportable segments	2,36,318.26	2,13,686.44
<b>Unallocated amounts:</b>		
Revenue for other segments	524.94	959.17
Inter-segment elimination	-	-
<b>Total income</b>	<b>2,36,843.20</b>	<b>2,14,645.61</b>
	<b>For the year ended <u>March 31, 2023</u> Rs. lakhs</b>	<b>For the year ended <u>March 31, 2022</u> Rs. lakhs</b>
<b>ii Profit before tax</b>		
Total profit before tax for reportable segments	16,022.83	16,364.63
<b>Unallocated cost:</b>		
Finance costs	(3,354.00)	(4,021.24)
Other unallocated amounts	(3,613.02)	(3,111.48)
<b>Profit before tax as per statement of profit and loss</b>	<b>9,055.81</b>	<b>9,231.91</b>
	<b>For the year ended <u>March 31, 2023</u> Rs. lakhs</b>	<b>For the year ended <u>March 31, 2022</u> Rs. lakhs</b>
<b>iii Assets</b>		
Total assets for reportable segments	1,81,244.99	1,65,652.23
<b>Unallocated amounts:</b>		
Investments	4,547.25	2,528.00
Corporate assets	9,314.73	9,743.70
<b>Total assets as per the balance sheet</b>	<b>1,95,106.97</b>	<b>1,77,923.93</b>
	<b>For the year ended <u>March 31, 2023</u> Rs. lakhs</b>	<b>For the year ended <u>March 31, 2022</u> Rs. lakhs</b>
<b>iv Liabilities</b>		
Total liabilities for reportable segments	65,283.55	48,043.46
<b>Unallocated amounts:</b>		
Share capital	1,739.84	1,739.84
Reserves and Surplus	69,926.90	65,451.61
Unallocated corporate liabilities	58,156.68	62,689.02
<b>Total liabilities as per the balance sheet</b>	<b>1,95,106.97</b>	<b>1,77,923.93</b>

### D. Geographical information

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

	For the year ended <u>March 31, 2023</u> Rs. lakhs	For the year ended <u>March 31, 2022</u> Rs. lakhs
<b>i Total income</b>		
<b>(a) India</b>	1,88,409.15	1,68,206.49
<b>(b) Other countries</b>		
Europe	17,784.26	17,221.60
China	17,841.97	12,383.61
Rest of the World	12,807.82	16,833.91
<b>Total (b)</b>	<b>48,434.05</b>	<b>46,439.12</b>
<b>(c) Inter-segment elimination</b>	-	-
<b>Total (a+b+c)</b>	<b>2,36,843.20</b>	<b>2,14,645.61</b>



*[Handwritten signature]*

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)**

	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
<b>ii Assets</b>		
<b>Non-current segment assets</b>		
(a) India	71,038.01	63,671.84
(b) Outside India	-	-
<b>Total (a+b)</b>	<u>71,038.01</u>	<u>63,671.84</u>

Non-current segment assets includes property, plant and equipments, right-of-use assets, capital work in progress, intangible assets and other non current assets.

**E. Major customer**

Revenue from one customer of the Group's Sugar segment represented approximately Rs.37,380.49 lakhs (March 31, 2022: Rs.15,583.95 lakhs) of the Group's total revenues.

**41. Leases**

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

Particulars	Opening as on April 1, 2022	Additions during the year	Deletions during the year	Depreciation during the year	(Rs.Lakhs)
					Net Carrying amount as at March 31, 2023
Building	1,549.85	348.71	146.20	439.21	1,313.15
	<u>1,549.85</u>	<u>348.71</u>	<u>146.20</u>	<u>439.21</u>	<u>1,313.15</u>
Particulars	Opening as on April 1, 2021	Additions during the year	Deletions during the year	Depreciation during the year	Net Carrying amount as at March 31, 2022
Building	2,001.58	56.94	50.76	457.91	1,549.85
	<u>2,001.58</u>	<u>56.94</u>	<u>50.76</u>	<u>457.91</u>	<u>1,549.85</u>

The Group incurred Rs.64.68 lakhs (March 31, 2022: Rs.86.97 lakhs) towards expenses relating to short-term leases and leases of low-value assets.

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

The reconciliation of lease liabilities is as follows:

Particulars	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
	Opening balance	1,777.66
Additions	350.87	56.76
Deletions	(146.20)	(51.37)
Amount recognised in statement of profit and loss as interest expense	148.59	179.77
Payment of lease liability	(598.01)	(580.64)
<b>Closing balance</b>	<u>1,532.90</u>	<u>1,777.66</u>

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

Particulars	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
	Within one year	436.22
Within one-five years	900.56	1,217.79
Above five years	196.12	108.46
<b>Closing balance</b>	<u>1,532.90</u>	<u>1,777.66</u>



## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

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

#### A. Contingent liabilities\*

Particulars	As at	As at
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Income tax matters	4,797.75	10,548.70
Excise and Service tax matters	28.52	23.58
Claims against the Group not acknowledged as debts (excluding claims by employees, where amount is not ascertainable)	968.08	950.81
Sales tax matters	15.46	15.46
Sugarcane related matters	4,545.26	4,545.26
Share in contingent liabilities of associate company	182.21	170.88
<b>Total</b>	<b>10,537.29</b>	<b>16,254.69</b>

\* 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

- Capital commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to Rs. 99.42 lakhs (March 31, 2022: Rs. 722.96 lakhs).
- 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. A petition challenging the Preferential Issue of equity warrants by the Holding Company filed by a shareholder before the Hon'ble Company Law Board (now National Company Law Tribunal), pending since November 2007, has been dismissed as withdrawn in the hearing held on March 07, 2023.

#### 44. Earnings per share

##### Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit 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	For the year ended
		March 31, 2023	March 31, 2022
Profit after tax attributable to equity shareholders	Rs. Lakhs	6,016.01	6,624.32
Weighted average number of equity shares outstanding during the year*	Numbers	8,69,92,185	8,69,92,185
Nominal value per share*	Rs.	2	2
Basic and diluted earnings per share	Rs.	6.92	7.61

\* Refer note 60

### 45. Employee benefits

#### A. Defined Contribution plans

Rs. 180.88 lakhs (March 31, 2022: Rs. 110.52 lakhs) for provident fund contribution and Rs. 247.35 lakhs (March 31, 2022: Rs. 204.69 lakhs) for superannuation fund contribution have been charged to the Statement of Profit and Loss. The contributions towards these schemes are at rates specified in the rules of the schemes. In case of provident fund administered through a trust, shortfall if any, shall be made good by the Holding company.

#### B. Defined benefit plans

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

##### Gratuity:

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



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Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)

The following table sets out the status of gratuity obligation

Particulars	As at	As at
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Net defined benefit asset- Gratuity	(308.76)	(503.18)
Non current	-	-
Current	(308.76)	(503.18)

**(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	For the year ended
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Balance at the beginning of the year	4,114.35	4,086.73
Current service cost	275.83	264.84
Interest cost	297.05	277.90
Actuarial (Gain) on arising from changes in financials assumptions	(44.85)	(117.03)
Actuarial Loss on arising from changes in experience adjustments	195.89	54.61
Benefits paid	(377.79)	(452.70)
<b>Balance at the end of the year</b>	<b>4,460.48</b>	<b>4,114.35</b>

**(ii) Reconciliation of the plan assets**

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

Particulars	For the year ended	For the year ended
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Balance at the beginning of the year	4,617.53	4,276.30
Expected return on plan assets	333.38	290.79
Contribution by the Holding Company	15.34	19.22
Benefits paid	(25.49)	(121.63)
Actuarial (losses) / gains recognised in other comprehensive income	(171.52)	152.85
<b>Balance at the end of the year</b>	<b>4,769.24</b>	<b>4,617.53</b>

**(iii) Expense recognized in profit or loss**

Particulars	For the year ended	For the year ended
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Current service cost	275.83	264.84
Interest cost	297.05	277.90
Expected return on plan assets	(333.38)	(290.79)
Actuarial losses / (gains) recognised in other comprehensive income	322.56	(215.28)
	562.06	36.67




## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

### (iv) Constitution of plan assets

Particulars	For the year ended <u>March 31, 2023</u> Rs. lakhs	For the year ended <u>March 31, 2022</u> Rs. lakhs
<b>Other than equity, debt, property and bank account</b>		
Funded with Life Insurance Corporation of India*	4,769.24	4,617.53

\* 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 <u>March 31, 2023</u> Rs. lakhs	For the year ended <u>March 31, 2022</u> Rs. lakhs
Actuarial (loss) /gain on plan assets	(171.52)	152.85
Actuarial gain arising from changes in financials assumptions	44.85	117.03
Actuarial (loss) arising from changes in experience adjustments	(195.89)	(54.61)
	<b>(322.56)</b>	215.28

### (vi) Actuarial assumptions

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

Particulars	As at <u>March 31, 2023</u>	As at <u>March 31, 2022</u>
<b>Financial assumptions</b>		
Discount rate	7.38%	7.22%
Future salary growth	5.00%	5.00%
Rate of return on plan assets	7.22%	6.80%
Expected average remaining working lives of employees (years)	17.33	17.48
<b>Demographic assumptions</b>		
Mortality rate	IALM (2012-14)	IALM (2012-14)
Withdrawal rate	Up to 30 years- 3%	Up to 30 years- 3%
	31 to 44 years- 2%	31 to 44 years- 2%
	Above 44 years- 1%	Above 44 years- 1%
Retirement age	58 years and 60 years	58 years and 60 years

Expected contributions to post-employment benefit plans for the year ending March 31, 2023 are Rs. 221.81 lakhs (March 31, 2022: Rs. 206.64 lakhs).

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

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



**Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)**

**(vii) Sensitivity analysis**

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

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

Particulars	For the year ended		For the year ended	
	March 31, 2023		March 31, 2022	
	Rs. lakhs		Rs. lakhs	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50%)	(141.56)	151.47	(127.64)	136.57
Future salary growth (0.50%)	153.40	(144.57)	138.32	(130.36)

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

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

**(viii) Maturity profile**

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

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Rs. lakhs	Rs. lakhs
Within 1 year	916.51	556.02
1 year to 5 years	1,466.82	1,557.21
More than 5 years	2,077.15	2,001.12

**C. Compensated absences:**

The obligation of compensated absence in respect of the employees of the Holding Company as at 31 March 2023 works out to Rs. 1,269.86 lakhs (31 March 2022: Rs. 1,177.76 lakhs)

**D. Provident fund:**

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

The following table sets out the status of Provident Fund obligation

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Rs. lakhs	Rs. lakhs
Net Provident Fund liability	89.04	85.50



## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

### (i) Reconciliation of the provident fund liability

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

Particulars	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Balance at the beginning of the year	14,263.70	14,038.94
Current service cost	506.76	415.46
Contribution by plan participants / employees	1,119.47	1,003.17
Interest cost	1,154.85	1,084.96
Actuarial (Gain) on arising from changes in financials assumptions	(0.99)	(1.62)
Actuarial (Gain) on arising from changes in experience adjustments	(7.97)	(110.71)
Benefits paid	(1,195.96)	(2,166.50)
<b>Balance at the end of the year</b>	<b>15,839.86</b>	<b>14,263.70</b>

### (ii) Reconciliation of the plan assets

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

Particulars	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Balance at the beginning of the year	14,178.20	13,837.17
Expected return on plan assets	1,154.85	1,084.96
Contribution by the Holding Company	506.76	415.46
Contribution by plan participants / employees	1,119.47	1,003.17
Benefits paid	(1,195.96)	(2,166.50)
Actuarial (losses) recognised in other comprehensive income*	(52.07)	(48.00)
Shortfall funded by the Company	39.57	51.95
<b>Balance at the end of the year</b>	<b>15,750.81</b>	<b>14,178.20</b>

\* Includes Rs. 3.54 lakhs (March 31, 2022: (Rs.61.00 lakhs)) on account of provision / (reversal) on investments.

### (iii) Expense recognized in profit or loss

Particulars	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
Current service cost	506.76	415.46
<b>Net cost</b>	<b>506.76</b>	<b>415.46</b>

### (iv) Remeasurements recognized in other comprehensive income

Particulars	For the year ended March 31, 2023 Rs. lakhs	For the year ended March 31, 2022 Rs. lakhs
(Loss) / Gain recognised in other comprehensive income	(43.11)	64.33



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**Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)**

**(v) Actuarial assumptions**

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial assumptions</b>		
Discount rate	7.38%	7.22%
Expected statutory interest rate	8.15%	8.10%
<b>Demographic assumptions</b>		
Mortality rate	IALM (2012-14)	IALM (2012-14)
Withdrawal rate	Up to 30 years- 3% 31 to 44 years- 2% Above 44 years- 1%	Up to 30 years- 3% 31 to 44 years- 2% Above 44 years- 1%
Retirement age	58 years and 60 years	58 years and 60 years

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

**(vi) Sensitivity analysis**

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

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

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Rs. lakhs		Rs. lakhs	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50%)	(3.64)	3.81	(4.27)	4.50

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

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

**E. Risk exposure**

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

**(a) Investment Risk**

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

**(b) Interest rate risk**

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

**(c) Longevity risk**

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

**(d) Salary risk**

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





## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

### 46. Related party disclosures:

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

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

##### Key management personnel

Mr. S. B. Mathur, Chairman  
Mr. Alok B. Shriram, Senior Managing Director  
Mr. Madhav B. Shriram, Managing Director  
Ms. Urvashi Tilakdhar, Director  
Mr. Vineet Manaktala, Director & CFO ( w.e.f. 01.07.2021)  
Mr. N. K.Jain, Director & CFO (upto 30.06.2021)  
Mr. P. R. Khanna, Independent Director  
Mr. Ravinder Narain, Independent Director  
Mr. S. C. Kumar, Independent Director  
Ms. V. Kavitha Dutt, Independent Director  
Mr. Sanjay C. Kirloskar, Independent Director  
Mr. Y. D. Gupta, Vice President & Company Secretary  
Mr. Mukesh Gupta, Nominee Director (upto 14.03.2022)  
Ms. Mini Ipe , LIC Nominee Director (w.e.f. 30.03.2022)  
Mr. Manoj Kumar, Non-executive Director

##### Relatives/HUF of key management personnel

Mr. Akshay Dhar  
Ms. Kanika Shriram  
Mr. Rudra Shriram  
Mr. Rohan Shriram  
Mr. Uday Shriram  
Ms. Umika Shriram  
Ms. Kislaya Rakesh  
Ms. Anita Gupta  
Ms. Manju Jain  
Ms. Kiran Khanna  
Mr. P. R. Khanna (HUF)  
M/s. Lala Banshi Dhar & Sons- HUF  
Ms. Suman Banshi Dhar  
Ms. Divya Shriram  
Ms. Karuna Shriram  
Ms. Aditi Dhar  
Ms. K. Rao  
Ms. Amita Manaktala  
Ms. Astha Manaktala  
Mr. Mohit Manaktala

##### Trusts

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

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

Bantam Enterprises Private Limited  
H.R. Travels Private Limited  
DCM Containers & Engineering Private Limited (w.e.f. 23.06.21)  
(Formerly Hindustan Vaccum Glass Private Limited)  
Kirloskar Corrocoat Private Limited  
Hi-Vac Wares Private Limited  
Lily Commercial Private Limited  
Fives Cail – KCP Limited  
Versa Trading Limited  
Absolut Info Systems Private Limited



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Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)

B. Transactions with related parties:

Particulars	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
	Rs. lakhs	Rs. lakhs
<b>Rent expenses</b>		
Relatives/HUF of key management personnel	195.97	181.86
Bantam Enterprises Private Limited	22.94	30.59
H.R. Travels Private Limited	6.89	9.18
DCM Containers & Engineering Private Limited	0.90	0.90
<b>Total</b>	<b>226.70</b>	<b>222.53</b>
<b>Interest expense</b>		
Key management personnel	13.59	11.87
Relatives of Key management personnel	32.16	27.45
Independent Directors & their relatives/HUF	3.67	3.75
<b>Total</b>	<b>49.42</b>	<b>43.07</b>
<b>Other expenses</b>		
DCM Containers & Engineering Private Limited	5.46	30.00
Kirloskar Corrocoat Private Limited	8.68	4.03
Fives Cail – KCP Limited	0.30	6.51
<b>Total</b>	<b>14.44</b>	<b>40.54</b>
<b>Purchase of property, plant and equipment</b>		
DCM Containers & Engineering Private Limited	-	62.54
Fives Cail – KCP Limited	0.25	204.26
Kirloskar Corrocoat Private Limited	-	-
Absolut Info Systems Pvt Ltd	0.25	-
<b>Total</b>	<b>0.50</b>	<b>266.80</b>
<b>Purchase of stores</b>		
Fives Cail – KCP Limited	0.77	-
Kirloskar Corrocoat Private Limited	4.53	-
<b>Total</b>	<b>5.30</b>	<b>-</b>
<b>Capital Advances</b>		
DCM Containers & Engineering Private Limited	24.00	-
<b>Equity dividend paid</b>		
Key management personnel	4.96	4.96
Relatives/HUF of key management personnel	9.53	9.53
Bantam Enterprises Private Limited	101.77	101.77
Lily Commercial Private Limited	236.28	236.28
H.R. Travels Private Limited	48.20	48.20
Hi-Vac Wares Private Limited	59.49	59.49
Versa Trading Limited	193.53	193.32
	<b>653.76</b>	<b>653.55</b>
<b>Public deposits received</b>		
Relatives of key management personnel	-	122.00
<b>Total</b>	<b>-</b>	<b>122.00</b>
<b>Amount received from sale of preference shares</b>		
Key management personnel	-	84.98
Relatives of Key Management Personnel	-	169.96
Bantam Enterprises Private Limited	-	235.06
<b>Total</b>	<b>-</b>	<b>490.00</b>
<b>Security deposits paid</b>		
Relatives/HUF of key management personnel	5.31	-
<b>Security deposits received back</b>		
Ms. Anita Gupta	-	3.04
Ms. Manju Jain	-	4.56
Bantam Enterprises Private Limited	5.31	-
<b>Total</b>	<b>5.31</b>	<b>7.60</b>



## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

Particulars	For the year ended <u>March 31, 2023</u> Rs. lakhs	For the year ended <u>March 31, 2022</u> Rs. lakhs
<b>Salaries and bonus including contributions made to provident fund</b>		
<b>Key management personnel</b>		
Mr. Alok B. Shriram	289.86	296.52
Mr. Madhav B. Shriram	289.86	296.52
Ms. Urvashi Tilak Dhar	289.86	278.24
Mr. Vineet Manaktala	73.14	39.02
Mr. N. K. Jain	-	33.60
Mr. Y. D. Gupta	48.96	42.07
Relatives of key management personnel	197.48	197.25
<b>Total</b>	<b>1,189.16</b>	<b>1,183.22</b>
<b>Post-employment defined benefit plan</b>		
<b>Gratuity</b>		
<b>Key management personnel</b>		
Mr. Alok B. Shriram	3.86	(8.76)
Mr. Madhav B. Shriram	1.74	(3.33)
Ms. Urvashi Tilakdhar	3.20	2.71
Mr. Vineet Manaktala	7.37	4.08
Mr. N.K. Jain	-	-
Mr. Y.D. Gupta	6.34	2.74
<b>Relatives of key management personnel</b>	<b>5.57</b>	<b>2.92</b>
<b>Total</b>	<b>28.08</b>	<b>0.36</b>
<b>Other long term defined benefit plan</b>		
<b>Compensated absences</b>		
<b>Key management personnel</b>		
Mr. Alok B. Shriram	5.66	7.02
Mr. Madhav B. Shriram	6.02	6.90
Ms. Urvashi Tilakdhar	6.05	6.22
Mr. Vineet Manaktala	2.62	4.73
Mr. Y.D. Gupta	1.67	2.75
Relatives of key management personnel	0.05	(0.70)
<b>Total</b>	<b>22.07</b>	<b>26.92</b>
<b>Commission to Independent Directors</b>		
Mr. P. R. Khanna	13.41	13.72
Mr. S. B. Mathur	14.24	14.56
Mr. Ravinder Narain	11.77	12.04
Mr. S. C. Kumar	13.41	13.72
Ms. Kavitha Dutt Chitturi	12.59	12.88
Mr. Sanjay C. Kirloskar	10.95	11.20
Mr. Mukesh Gupta	-	9.52
Ms. Mini Ipe	9.30	-
Mr. Manoj Kumar	10.95	11.20
<b>Total</b>	<b>96.62</b>	<b>98.84</b>
<b>Total compensation paid to key management personnel</b>	<b>1,335.93</b>	<b>1,309.34</b>
<b>Post-employment defined benefit plan contribution paid to provident fund</b>		
Trusts	1,626.23	1,418.63
<b>Gratuity</b>		
Trust	15.34	19.21
<b>Other long term defined contribution plan superannuation</b>		
Trust	173.93	176.07



*VP*

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)

Balances with related parties

(Rs. lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Security deposit receivable</b>		
Relatives/HUF of key management personnel	30.98	23.54
Bantam Enterprises Private Limited	0.00	5.31
<b>Total</b>	<b>30.98</b>	<b>28.85</b>
<b>Capital advances</b>		
DCM Containers & Engineering Private Limited	24.00	-
<b>Capital creditors</b>		
DCM Containers & Engineering Private Limited	-	2.28
<b>Payables</b>		
<b>Public deposits including interest accrued</b>		
Key management personnel	118.70	111.87
Relatives/HUF of key management personnel	341.89	320.06
Independent Directors & their relatives	37.50	37.50
<b>Total</b>	<b>498.09</b>	<b>469.43</b>
<b>Provisions</b>		
Daurala Organics Limited Employees' Provident Fund Trust	89.04	85.50
<b>Remuneration / Commission payable</b>		
Remuneration to key management personnel	9.72	-
Commission to Independent Directors	96.62	98.84
Commission to key management personnel	481.67	483.32
Sitting fees to Independent Directors	7.02	5.94

**Note:**

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

47. Financial instruments – Fair values and risk management

a. Financial instruments – by category and fair values hierarchy

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

i. As on March 31, 2022

(Rs. lakhs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Loans*	-	-	50.02	50.02	-	-	-
(ii) Other financial assets*	-	-	475.99	475.99	-	-	-
Current							
(i) Investments*							
Debt instrument (Mutual funds)	990.79	-	-	990.79	990.79	-	-
(ii) Trade receivables*	-	-	25,495.06	25,495.06	-	-	-
(iii) Cash and cash equivalents*	-	-	842.08	842.08	-	-	-
(iv) Other bank balances*	-	-	1,885.23	1,885.23	-	-	-
(v) Loans*	-	-	5.79	5.79	-	-	-
(vi) Other financial assets*	31.87	-	15,896.34	15,928.21	31.87	-	-
<b>Total</b>	<b>1,022.66</b>		<b>44,650.51</b>	<b>45,673.17</b>			

continued on next page



## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial liabilities</b>							
<b>Non-current</b>							
(i) Borrowings (including current maturities)#	-	-	21,257.20	21,257.20	-	-	21,257.20
(ii) Lease liabilities*	-	-	1,326.26	1,326.26	-	-	-
(iii) Other financial liabilities*	-	-	94.23	94.23	-	-	-
<b>Current</b>							
(i) Borrowings#	-	-	33,572.92	33,572.92	-	-	-
(ii) Lease liabilities*	-	-	451.40	451.40	-	-	-
(iii) Trade payables*	-	-	26,590.42	26,590.42	-	-	-
(iv) Other financial liabilities*	-	-	3,237.29	3,237.29	-	-	-
<b>Total</b>	-	-	86,529.72	86,529.72			

### ii. As on March 31, 2023

(Rs. lakhs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
(i) Loans*	-	-	62.82	62.82	-	-	-
(ii) Other financial assets*	-	-	540.64	540.64	-	-	-
<b>Current</b>							
(i) Investments							
Debt instrument (Mutual funds)	2,835.35	-	-	2,835.35	2,835.35	-	-
(ii) Trade receivables*	-	-	24,224.22	24,224.22	-	-	-
(iii) Cash and cash equivalents*	-	-	784.24	784.24	-	-	-
(iv) Other bank balances*	-	-	1,728.35	1,728.35	-	-	-
(v) Loans*	-	-	19.18	19.18	-	-	-
(vi) Other financial assets*	16.84	-	26,812.65	26,829.49	16.84	-	-
<b>Total</b>	2,852.19	-	54,172.10	57,024.29			
<b>Financial liabilities</b>							
<b>Non-current</b>							
(i) Borrowings (including current maturities)#	-	-	14,800.91	14,800.91	-	-	14,800.91
(ii) Lease liabilities*	-	-	1,096.68	1,096.68	-	-	-
(iii) Other financial liabilities*	-	-	5,415.70	5,415.70	-	-	-
<b>Current</b>							
(i) Borrowings#	-	-	34,699.08	34,699.08	-	-	-
(ii) Lease liabilities*	-	-	436.22	436.22	-	-	-
(iii) Trade payables*	-	-	27,476.43	27,476.43	-	-	-
(iv) Other financial liabilities*	-	-	4,318.60	4,318.60	-	-	-
<b>Total</b>	-	-	88,243.62	88,243.62			

# The Group's borrowings have been contracted at both floating and fixed rates of interest. The borrowings at floating rates reset at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value. The fair value of long-term borrowings with fixed rates of interest is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities to discount the future payout).

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

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2023 and March 31, 2022.

#### Valuation

Following financial instruments are remeasured at fair value as under :

- (a) The fair value of investments in quoted Equity Shares and Mutual Funds are measured at quoted price or NRV.
- (b) The fair value of all derivative contracts is determined using forward exchange rate at the balance sheet.



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)

**Risk Management**

The Group manages risk arising from financial instruments as under :

**b. Financial risk management (continued)**

**(i) Credit risk**

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

Particulars	As at	As at
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Investments	3,149.85	1,171.37
Trade receivables	24,224.22	25,495.06
Cash and cash equivalents	784.24	842.08
Other bank balances	1,728.35	1,885.23
Loans	82.00	55.81
Other financial assets	27,370.13	16,404.20

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

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

Particulars	Gross carrying amount	
	As at	As at
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
1-90 days past due *	932.73	755.38
91 to 180 days past due	61.53	17.55
More than 180 days past due #	125.85	36.10
Not due	23,139.08	24,710.90
	24,259.19	25,519.93

\* The Group believes that the unimpaired amounts are collectible in full, based on historical payment behaviour.

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

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

Particulars	For the year ended	For the year ended
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	Rs. lakhs	Rs. lakhs
Balance at the beginning of the year	24.87	24.87
Impairment loss recognised / (reversed)	10.10	-
<b>Balance at the end of the year</b>	<b>34.97</b>	24.87

**Note**

**Cash and cash equivalents**

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

**Other financial assets**

Other financial assets do not have any significant credit risk (also refer note 55).



## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

### b. Financial risk management (continued)

#### (ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of Rs.2,512.59 lakhs as at March 31, 2023 (March 31, 2022 Rs. 2,727.31 lakhs), anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if liquidity needs were to arise, the Group believes it has access to financing arrangements, which should enable it to meet its ongoing capital, operating and other liquidity requirements. The Group will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

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

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

#### I. Financial arrangements

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

Particulars	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
From banks	12,096.29	9,674.56

#### 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:

As at March 31, 2022	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings*	13,206.53	-	13,203.78	49.45	13,253.23
Lease liabilities*	1,326.26	-	1,436.71	115.13	1,551.84
Other financial liabilities	94.23	-	94.23	-	94.23
<b>Current liabilities</b>					
Borrowings	41,623.59	41,623.59	-	-	41,623.59
Lease liabilities	451.40	608.99	-	-	608.99
Trade payables	26,590.42	26,590.42	-	-	26,590.42
Other financial liabilities	3,237.29	3,237.29	-	-	3,237.29
<b>Total</b>	<b>86,529.72</b>	<b>72,060.29</b>	<b>14,734.72</b>	<b>164.58</b>	<b>86,959.59</b>

(Rs. lakhs)

As at March 31, 2023	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings*	7,331.01	-	7,354.88	-	7,354.88
Lease liabilities*	1,096.68	-	1,009.29	228.35	1,237.64
Other financial liabilities	5,415.70	-	5,415.70	-	5,415.70
<b>Current liabilities</b>					
Borrowings	42,168.98	42,168.98	-	-	42,168.98
Lease liabilities	436.22	555.09	-	-	555.09
Trade payables	27,476.43	27,476.43	-	-	27,476.43
Other financial liabilities	4,318.60	4,318.60	-	-	4,318.60
<b>Total</b>	<b>88,243.62</b>	<b>74,519.10</b>	<b>13,779.87</b>	<b>228.35</b>	<b>88,527.32</b>

(Rs. lakhs)

\* Contractual cash flows do not include interest expense



**Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)**
**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, 2023 and March 31, 2022.

(Rs. Lakhs)

Particulars	As at March 31, 2023			
	USD	EURO	AUD	GBP
<b>Financial assets</b>				
Trade receivables*	7,935.07	1,991.11	-	-
Advance to contractors	8.58	2.92	1.75	-
	7943.65	1994.03	1.75	-
<b>Financial liabilities</b>				
Borrowings	1,347.38	68.08	-	0.62
Trade payables	7,358.08	840.01	-	-
	8,705.46	908.09	-	0.62

(Rs. Lakhs)

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

\* Trade receivables are net of corresponding foreign exchange contracts

**Sensitivity analysis**

A reasonably possible strengthening / weakening of the Indian Rupee against below currencies at March 31, 2023 (previous year ended as on March 31, 2022) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. lakhs)

Particulars	Profit or loss		Equity, net of tax	
	Weakening	Strengthening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended March 31, 2023</b>				
USD	(7.62)	7.62	(4.96)	4.96
EUR	10.86	(10.86)	7.06	(7.06)
AUD	0.02	(0.02)	0.01	(0.01)
GBP	(0.01)	0.01	(0.00)	0.00
	3.25	(3.25)	2.11	(2.11)
<b>For the year ended March 31, 2022</b>				
USD	(27.86)	27.86	(18.13)	18.13
EUR	26.89	(26.89)	17.50	(17.50)
GBP	(0.03)	0.03	(0.02)	0.02
	(1.00)	1.00	(0.65)	0.65

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



## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

### Foreign exchange derivative contracts

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

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

Outstanding contracts	No of deals		Contract value of foreign currency (in lakhs)		Maturity				
					Upto 12 months		More than 12 months		
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	Nominal amount (in lakhs)		Nominal amount (in lakhs)		
				As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022		
USD/INR Sell Forward	68	130	75.70	188.24	6,261.90	14,479.37	-	-	-
EUR/INR Sell Forward	9	9	10.00	22.46	893.46	1,912.25	-	-	-
EUR/USD Sell Forward	8	5	10.18	13.19	880.11	1,117.52	-	-	-
USD/INR Buy Forward	1	5	1.00	6.12	82.40	478.13	-	-	-

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

### Interest rate risk

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

### Exposure to interest rate risk

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

Particulars	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>Financial Assets</b>		
<b>Fixed Rate Instruments</b>		
Bank Balances other than Cash & cash equivalents	1,728.35	1,885.23
Other Financial assets	102.39	87.40
<b>Total</b>	<b>1,830.74</b>	<b>1,972.63</b>
<b>Financial Liabilities</b>		
<b>Fixed Rate Instruments</b>		
Term loans	6,258.71	10,649.60
Public Deposits	916.56	940.07
<b>Variable-rate instruments</b>		
Term loans	7,625.64	9,667.52
Cash Credit	34,699.08	33,532.49
<b>Total</b>	<b>49,499.99</b>	<b>54,789.68</b>

### 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
<b>For the year ended March 31, 2023</b>				
Interest on term loans	(76.26)	76.26	(49.61)	49.61
Interest on cash credits	(346.99)	346.99	(225.74)	225.74
<b>For the year ended March 31, 2022</b>				
Interest on term loans	(96.68)	96.68	(62.89)	62.89
Interest on cash credits	(335.32)	335.32	(218.15)	218.15



**Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)**

**48. Capital management**

For the purpose of the Groups's capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the equity holders of the 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 monitors capital structure through gearing ratio represented by debt-equity ratio (Net debt/Total equity). The gearing ratios for the company as at the end of reporting period were as follows::

Particulars	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Borrowings	49,499.99	54,789.68
Less : Cash and cash equivalent	(784.24)	(842.08)
<b>Adjusted net debt (A)</b>	<b>48,715.75</b>	<b>53,947.60</b>
<b>Total equity (B)</b>	<b>71,666.74</b>	<b>67,191.45</b>
<b>Adjusted net debt to total equity ratio (A/B)</b>	<b>67.98%</b>	<b>80.29%</b>

**49. Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities'**

**(a) Subsidiary company**

The Group's subsidiaries at 31 March 2023 is set out below. The subsidiary has share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business..

(Rs.lakhs)

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group as at		Ownership interest held by non-controlling interests as at		Principal activities
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
Daurala Foods and Beverages Private Limited	India	100.00	100.00	-	-	The entity deploys its surplus funds in permitted securities such as short term funds of mutual funds, bank deposits etc.
DCM Shriram Fine Chemicals Limited	India	100.00	100.00	-	-	The entity proposes to engage in business of manufacturing various chemicals.
DCM Shriram International Limited	India	100.00	-	-	-	The entity proposes to engaged in business of manufacturing, buying, selling, exchanging, converting, altering, importing, exporting, processing, twisting or otherwise handling or dealing in man made fibres including regenerated cellulose rayon, nylon and to sell, purchase, import, export of civil and defence related equipment, armoured vehicles, unmanned aerial vehicles and accessories of all specifications.

## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

### (b) Summarised financial information for associate company

(Rs.lakhs)

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group as at		Principal activities
		As at March 31, 2023	As at March 31, 2022	
DCM Hyundai Limited	India	49.28	49.28	The entity is primarily engaged in trading and promotion of fabricated engineering products and leasing of Machinery & Equipments, providing Technical Know-how, Marketing assistance and other services in relation thereto.

The tables below provide summarised financial information for associates of the Group. The information disclosed reflects the amounts presented in the financial statements of the associate company and not the Group's share of those amounts.

### (i) Summarised balance sheet

(Rs.lakhs)

Particulars	DCM Hyundai Limited	
	As at March 31, 2023	As at March 31, 2022
<b>Current assets</b>		
Cash and cash equivalents	447.15	54.25
Other assets	1,598.60	2,750.79
<b>Total current assets</b>	<b>2,045.75</b>	<b>2,805.04</b>
<b>Total non-current assets</b>	<b>899.08</b>	<b>277.98</b>
<b>Current liabilities</b>		
Financial liabilities	17.79	229.78
Other liabilities	26.11	36.67
<b>Total current liabilities</b>	<b>43.89</b>	<b>266.45</b>
<b>Non-current liabilities</b>		
Other liabilities	2.55	2.98
<b>Total non-current liabilities</b>	<b>2.55</b>	<b>2.98</b>
<b>Net assets</b>	<b>2,898.38</b>	<b>2,813.59</b>

### (ii) Reconciliation to carrying amounts

(Rs.lakhs)

Particulars	DCM Hyundai Limited	
	As at March 31, 2023	As at March 31, 2022
Opening net assets	2,813.59	2,720.07
Profit/(loss) for the year	80.62	88.16
Other comprehensive income/(expense)	4.17	5.36
<b>Closing net assets</b>	<b>2,898.38</b>	<b>2,813.59</b>
Group's share in %	49.28%	49.28%
Group's share in INR	1,428.37	1,386.58
Consolidation adjustments	(30.97)	(30.96)
<b>Carrying amount</b>	<b>1,397.40</b>	<b>1,355.62</b>



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)

(iii) Summarised statement of profit and loss

(Rs.lakhs)

Particulars	DCM Hyundai Limited	
	As at March 31, 2023	As at March 31, 2022
Revenue from operations	222.39	149.76
Other income	125.15	149.49
Depreciation and amortisation	57.80	33.39
Interest expense	10.89	17.16
Income tax expense	32.59	38.14
Profit/(loss) for the year	80.62	88.16
Other comprehensive income/(expense)	4.17	5.36
Total comprehensive income/(expense)	84.79	93.52
Dividends received	-	-

50. Disclosure as per Schedule III to the Companies Act, 2013

(Rs.lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities as at		Share in profit or loss for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent</b>								
DCM Shriram Industries Limited								
March 31, 2023	93.31%	69,920.88	99.20%	6,026.04	100.87%	(237.89)	99.13%	5,788.15
March 31, 2022	93.83%	65,437.61	99.10%	6,573.59	98.57%	181.90	99.09%	6,755.49
<b>Subsidiary</b>								
Daurala Foods & Beverages Private Limited								
March 31, 2023	1.80%	1,345.33	0.73%	44.43	-	-	0.76%	44.43
March 31, 2022	1.87%	1,300.90	0.63%	41.82	-	-	0.61%	41.82
<b>Subsidiary</b>								
DCM Shriram Fine Chemicals Limited*								
March 31, 2023	3.03%	2,270.80	0.57%	(34.85)	-	-	0.60%	(34.85)
March 31, 2022	2.36%	1,646.02	0.39%	(25.62)	-	-	0.38%	(25.62)
<b>Subsidiary</b>								
DCM Shriram International Limited*								
March 31, 2023	0.00%	0.74	0.01%	(0.61)	-	-	0.01%	(0.61)
<b>Associate</b>								
DCM Hyundai Limited								
March 31, 2023	1.86%	1,397.40	0.65%	39.73	-0.87%	2.05	0.72%	41.78
March 31, 2022	1.94%	1,355.62	0.65%	43.45	1.43%	2.64	0.68%	46.09
<b>Total</b>								
March 31, 2023	100.00%	74,935.13	100.00%	6,074.75	100.00%	(235.83)	100.00%	5,838.91
March 31, 2022	100.00%	69,740.15	100.00%	6,633.23	100.00%	184.54	100.00%	6,817.78
<b>Adjustment due to consolidation</b>								
March 31, 2023		3,268.40		58.74		0.00		58.74
March 31, 2022		2,548.70		8.92		-		8.92
<b>Consolidation Net Asset / Profit after Tax</b>								
March 31, 2023		71,666.74		6,016.01		(235.84)		5,780.17
March 31, 2022		67,191.45		6,624.32		184.54		6,808.86

\* Became subsidiary w.e.f. September 07, 2022

## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

51. Research and development expenses amounting to Rs. 491.48 lakhs (March 31, 2022: Rs. 311.87 lakhs) have been charged to the respective revenue accounts. Capital expenditure relating to research and development amounting to Rs. 8.25 lakhs (March 31, 2022: Rs. 38.63 lakhs) has been included in property, plant and equipment.

52. Parties covered under "The Micro, Small and Medium Enterprise Development Act, 2006" (MSMED Act, 2006) have been identified on the basis of confirmation received. The disclosures pursuant to the said MSME Act are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(Rs.lakhs)		
(a) Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year.		
- Principal Amount	1,215.71	1,263.91
- Interest due thereon		
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

### 53. Disclosure related to government grant

The government grants/government assistance recognised are as under:

Nature of Grant/assistance	Income/ expense head	For the year ended March 31, 2023 (Rs.lakhs)	For the year ended March 31, 2022 (Rs.lakhs)
Subvention on loan interest	Other income	108.26	70.70
Interest subsidy in respect of loan at concessional rate	Other income	182.55	228.88
Grant for payment of cane dues subject to fulfillment of sugar export obligation and other conditions	Other operating revenue	-	273.48
Duty drawback and other incentive	Other operating revenue	1,056.07	958.24

54. Immovable properties yet to be endorsed in the name of Holding company are as under :

(Rs.lakhs)

Particulars	Amount as on March 31, 2023	Amount as on March 31, 2022	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	Property held since	Reason for not being held in the name of the company
<b>Property, Plant and Equipment</b>					
Land situated at Daurala, Uttar Pradesh (UP) and Kota, Rajasthan	844.04 *	844.04 *	No	1991	Vested in the Holding company pursuant to a Scheme of Arrangement of erstwhile DCM Limited. (Undisputed)
Land situated at Daurala, UP	44.95	44.95	No	2005	Vested in the Holding company pursuant to merger of Daurala Organics Limited under section 391 to 394 of the Companies Act, 1956 in terms of approval of Honorable High Court. (Undisputed)
<b>Total</b>	<b>888.99</b>	<b>888.99</b>			

\* Includes leasehold land Rs. 465.00 lakhs (March 31, 2022: Rs.465.00 lakhs) at Kota, Rajasthan



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)

55. Consequent to introduction of GST with effect from July 1, 2017, there has been ambiguity with regard to chargeability of indirect tax, i.e. UP VAT or GST or any other tax, on certain supplies made to a party and, therefore, no tax has been charged on invoices raised for such supplies. The Hon'ble Allahabad High Court has held that no VAT is chargeable on such transactions. However, this issue is sub-judice before the Hon'ble Supreme Court in a similar matter. The buyer has provided an undertaking to indemnify the Holding Company for any tax, along with interest, penalty (if levied) or any other related expenses, as may be finally incurred in this regard.

State VAT Authorities had completed assessments for the period July 1, 2017 to October 31, 2020 and raised demands. These assessments have been cancelled after Hon'ble Allahabad High Court order except for the year ended March 31, 2020 which is pending disposal before VAT Tribunal and VAT demand raised amounting to Rs 6,911.32 lakhs in respect of that year has been stayed by the tribunal. The Holding Company has deposited an amount of Rs.3,417.52 lakhs under protest in respect of the aforesaid VAT matters for the period July 1, 2017 to October 31, 2020.

During the year, GST demand of Rs.29,617.47 lakhs was raised on these transactions from July 1, 2017 to September 30, 2022 (except FY 2019-20) which is stayed and contested. The Holding Company has deposited an amount of Rs. 1,891.66 lakhs as duty under protest in respect of GST.

Pending clarity on imposition of VAT or GST on such supplies, the Holding Company has recognized a provision for contingencies under "Provisions (current)" of Rs. 26,312.70 lakhs as at March 31, 2023 (Rs 15,733.25 lakhs as at March 31, 2022, net of amount paid under protest of Rs.3,417.52 lakhs). Basis the undertaking from the buyer, the Holding Company has recognized corresponding reimbursement assets amounting to Rs. 26,312.70 lakhs as at March 31, 2023 (Rs. 15,550.43 lakhs as at March 31, 2022, net of amount already received Rs.3,600.34 lakhs) under "Other financial assets (current)".

The amounts aggregating to Rs.5,309.18 lakhs paid under protest have been shown as recoverable under "Other non-current assets". As these have been funded by the buyer similar amount is shown as payable to the buyer under "Other non-current financial liabilities".

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

## 56. Assets charged as security

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

	Note	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>Current assets</b>			
Inventories	11	63,482.91	63,269.61
Trade receivables	13	24,224.22	25,495.06
Cash and cash equivalents	14	297.39	794.12
Other bank balances	15	480.23	400.46
Loans	16	8.99	3.80
Other financial assets	17	479.41	347.62
Other current assets	18	1,655.73	3,076.36
Total (I)		90,628.87	93,387.04
<b>Non-current asset</b>			
Property, plant and equipment	3	59,250.32	54,540.25
Capital work-in progress	3	220.61	3,256.06
Intangible assets	4	238.16	323.89
Loans	7	32.68	26.75
Other financial assets	8	462.57	398.29
Income-tax assets (net)	9	78.77	43.69
Other non-current assets	10	96.57	222.11
Total (II)		60,379.68	58,811.02
<b>Grand Total (I&amp;II)</b>		<b>151,008.55</b>	<b>152,198.05</b>

## CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

57. a) During the year, the Holding Company subscribed to 9,99,50,000 equity shares of Rs. 2 each in DCM Shriram Fine Chemicals Limited, a wholly owned subsidiary of the Holding Company, including conversion of advance against equity Rs. 1,670.64 lakhs as on March 31, 2022. Additional advance of Rs. 659.63 lakhs has been given during the year and accordingly an amount of Rs. 331.27 lakhs (March 31, 2022: Rs. 1,670.64 lakhs) is "Advance against share capital".

b) During the year, the Holding Company subscribed to 50,000 equity shares of Rs. 2 each in DCM Shriram International Limited, a wholly owned subsidiary of the Holding Company. Additional advance of Rs. 0.34 lakhs has been given during the year and accordingly an amount of Rs. 0.34 lakhs (March 31, 2022: Rs. Nil) is "Advance against share capital".

### 58. Assets held for sale

Management has committed to a plan to sell the following assets in near future:

Particulars	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Building	33.87	-

### 59. Financial Ratios:

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance
(a) Current Ratio	Current assets	Current liabilities	1.2	1.2	-4.1%
(b) Debt- Equity Ratio	Total Debt	Total Equity	0.7	0.8	-8.4%
(c) Debt Service Coverage Ratio	Earnings available for debt service*	Scheduled Debt Service	1.4	1.5	-8.9%
(d) Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	2.2%	2.6%	-16.7%
(e) Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.5	2.1	18.8%
(f) Trade Receivable Turnover Ratio	Revenue	Average Trade Receivable	9.5	9.4	0.6%
(g) Trade Payable Turnover Ratio**	Purchases and other expenses	Average Trade Payables	6.6	5.2	26.5%
(h) Net Capital Turnover Ratio	Revenue	Working Capital	12.3	9.9	24.2%
(i) Net Profit Ratio	Net Profit	Total Income	2.5%	3.1%	-17.7%
(j) Return on Capital Employed	Earning before interest and taxes	Average Capital Employed #	13.5%	15.1%	-10.4%
(k) Return on Investment@	"Income generated from investments"	"Time weighted average investments"	5.6%	3.4%	61.5%

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

# Tangible net worth + Long term debt + Deferred tax liabilities

\*\* Increased mainly on account of increase in purchases.

@ Increased on account of change in yield.

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

61. During the previous year ended March 31, 2022, 7,00,000 5% Redeemable Non-Cumulative Preference Shares of Rs. 100 each in Versa Trading Limited aggregating to Rs. 700 Lakhs, which were fully impaired in an earlier year, were sold for Rs. 490 Lakhs. Consequently, to that extent, provision for impairment was reversed and included in "Provisions/Liabilities no longer required, written back" in Note 31 "Other Income".

### 62. Additional Regulatory information:

- ii) The Group does not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- ii) The Group does not have any transactions with struck off companies.
- iii) Details of charges / satisfaction which are yet to be registered with Registrar of Companies (ROC).



**Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (continued)**

Pending Satisfaction/Registration	Brief description of the charges or satisfaction	Location of Registrar	Amount of Charge (Rs.Lakhs)	Reason for delay in satisfaction
Satisfaction	A charge created with serial number R36032811, charge ID 80000572 on 31st March 1978 and subsequently modified on 18th March 2020 In favour of Oriental bank of Commerce, Transport Nagar, UP-250002, India.	New Delhi	2,450.00	The loan has been repaid fully on the due date and No dues certificate has been received from the lender and requisite papers have been filed with the ROC. The said charge was created in FY 1978 (by erstwhile DCM Ltd). This got transferred to the Company in FY 1990 pursuant to reconstruction arrangement of erstwhile DCM Ltd. Due to this there is a technical problem at ROC in online updation of satisfaction which is under discussion with ROC for its solution.

- iv) The Group has not traded or invested in crypto currency or virtual currency during the financial year.
- v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- vii) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- viii) The Group has not been declared as a wilful defaulter by any banks or any other financial institution at any time during the financial year or after the end of the reporting period but before the date when the financial statements are approved.
- ix) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has five CICs as part of the Group.

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

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

**Kaushal Kishore**  
 Partner  
 Membership No.: 090075

Place : New Delhi  
 Date : May 25, 2023

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

Vineet Manaktala  
 Director Finance & Chief Financial Officer  
 DIN: 09145644  
 Alok B. Shriram  
 Sr. Managing Director  
 DIN: 00203808  
 Y.D. Gupta  
 Vice President & Company Secretary  
 Place : New Delhi  
 Date : May 25, 2023

S.B Mathur  
 Chairman  
 DIN: 00013239

Madhav B. Shriram  
 Managing Director  
 DIN: 00203521

Urvashi Tilakdhar  
 Wholetime Director  
 DIN: 00294265





# CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

### Part "A": Subsidiaries (Information in respect of each subsidiary to be presented with amounts in Rs.)

1.	Sl. No.		1
2.	Name of the subsidiary	Daurata Foods & Beverages Pvt. Ltd.	
3.	The date since when subsidiary was acquired	6th February, 2007	
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N.A.	
6.	Share Capital	7,50,00,000	
7.	Reserves & Surplus	5,95,32,600	
8.	Total assets	13,28,20,700	
9.	Total Liabilities	13,28,20,700	
10.	Investments	-	
11.	Turnover	62,22,110	
12.	Profit before taxation	60,89,610	
13.	Provision for taxation	16,46,710	
14.	Profit after taxation	44,42,900	
15.	Proposed Dividend	-	
16.	% of shareholding	100%	

1.	Sl. No.		2
2.	Name of the subsidiary	DCM Shriram Fine Chemicals Ltd.	
3.	The date since when subsidiary was acquired	29th September, 2021	
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N.A.	
6.	Share Capital	20,00,00,000	
7.	Reserves & Surplus	2,70,80,348	
8.	Total assets	26,52,48,085	
9.	Total Liabilities	26,52,48,085	
10.	Investments	-	
11.	Turnover	Nil	
12.	Profit before taxation	(34,85,242)	
13.	Provision for taxation	Nil	
14.	Profit after taxation	(34,85,242)	
15.	Proposed Dividend	-	
16.	% of shareholding	100%	

1.	Sl. No.		3
2.	Name of the subsidiary	DCM Shriram International Ltd.	
3.	The date since when subsidiary was acquired	7th September, 2022	
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N.A.	
6.	Share Capital	1,00,000	
7.	Reserves & Surplus	(26,433)	
8.	Total assets	88,567	
9.	Total Liabilities	88,567	
10.	Investments	-	
11.	Turnover	Nil	
12.	Profit before taxation	(60,525)	
13.	Provision for taxation	Nil	
14.	Profit after taxation	(60,525)	
15.	Proposed Dividend	-	
16.	% of shareholding	100%	

### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: (Rs.)

Name of Associates /Joint Ventures		DCM Hyundai Ltd.
1.	Latest audited Balance Sheet Date	March 31, 2023
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	14,28,32,166/-
7.	Profit / Loss for the year	
	i) Considered in Consolidation	39,73,111/-
	ii) Not Considered in Consolidation	40,89,208/-

Note : DCM Shriram Fine Chemicals Ltd. and DCM Shriram International Limited, both wholly owned subsidiaries, are yet to commence operations. No subsidiaries or associate companies have been sold or liquidated during the year.

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

Vineet Manaktala  
Director Finance & Chief Financial Officer  
DIN: 09145644  
Alok B. Shriram  
Sr. Managing Director  
DIN: 00203808  
Y.D. Gupta  
Vice President & Company Secretary  
Place : New Delhi  
Date : May 25, 2023

S.B Mathur  
Chairman  
DIN: 00013239  
Madhav B. Shriram  
Managing Director  
DIN: 00203521  
Urvashi Tilakdhar  
Wholetime Director  
DIN: 00294265



# LILY COMMERCIAL PRIVATE LIMITED

Regd. Office : 404, Akash Deep Building, 26A, Barakhamba Road, New Delhi-110001.

Phones:- 41543386, 41540587 FAX: - 41540587 email: - [admin@hivac.in](mailto:admin@hivac.in) CIN No. U65923DL1985PTC306331

## NOTICE

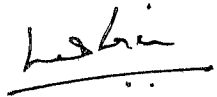
The 38<sup>th</sup> Annual General Meeting of the Company will be held as scheduled below:

**DATE** : 15.07.2023  
**DAY** : Saturday  
**TIME** : 11:00 A.M.  
**PLACE** : 404, Akash Deep Building, 26A, Barakhamba Road,  
New Delhi-110001.

For transacting the following business:

1. To consider and adopt stand alone and consolidated Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2023 and the Reports of the Board of Directors and Auditors thereon.
2. To pass with or without modification the following resolutions as an ordinary resolutions:
  - 2.1 "Resolved that Mr. Madhav B. Shriram (DIN: 00203521), be and is hereby appointed as a director of the Company."
  - 2.2 "Resolved that Mrs. Urvashi Tilak Dhar (DIN: 00294265), be and is hereby appointed as a director of the Company."
3. To pass with or without modification the following resolutions as an ordinary resolutions:
  - 3.1 "Resolved that Mr. Alok B. Shriram (DIN No. 00203808), a director retiring by rotation, be and is hereby re-appointed as a director of the company".
  - 3.2 "Resolved that Mr. Sunil Kumar Chowdhary (DIN No. 08866999), a director retiring by rotation, be and is hereby re-appointed as a director of the company".

**BY ORDER OF THE BOARD**



(Madhav B. Shriram)

**DIRECTOR**

**DIN : 00203521**

**DATE** : June 21, 2023

**PLACE** : Regd. Office: 404, Akash Deep Building,  
26A, Barakhamba Road, New Delhi-110001.

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## NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his place. A proxy need not be a member of the Company. A Proxy form is attached.

## **2. Explanatory Statement as required under section 102 of the Companies Act, 2013**

2.1 Mr. Madhav B. Shriram was co-opted as an additional director of the Company by the Board on 28.03.2023. As per the provisions of section 161 of the Companies Act, 2013, Mr. Madhav B. Shriram will hold office till the date of Annual General Meeting.

Mr. Madhav B. Shriram aged 58 years is Managing Director of M/s DCM Shriram Industries Limited and has got vast experience to his credit with regard to manufacturing and other industrial units.

Mr. Madhav B. Shriram has confirmed to the Board that he has not been disqualified u/s 164 (2) of the Companies Act, 2013, to be appointed to hold office of director in the Company. The matter of appointment of Mr. Madhav B. Shriram as director requires approval of members by way of ordinary resolution.

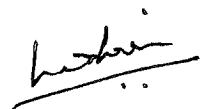
Mr. Madhav B. Shriram holds 9354 shares in the Company. He is brother of Mr. Alok B. Shriram, another Director of the Company. Accordingly, he may be treated as interested or concerned with in the proposed resolution.

2.2 Mrs. Urvashi Tilak Dhar was co-opted as an additional director of the Company by the Board on 28.03.2023. As per the provisions of section 161 of the Companies Act, 2013, Mrs. Urvashi Tilak Dhar will hold office till the date of Annual General Meeting.

Mrs. Urvashi Tilak Dhar aged 67 years is a Business Executive. She is a Director of M/s DCM Shriram Industries Limited.

Mrs. Urvashi Tilak Dhar has confirmed to the Board that she has not been disqualified u/s 164 (2) of the Companies Act, 2013, to be appointed to hold office of director in the Company. The matter of appointment of Mrs. Urvashi Tilak Dhar as director requires approval of members by way of ordinary resolution.

Mrs. Urvashi Tilak Dhar holds 12488 shares in the Company. It is proposed to appoint Mrs. Urvashi Tilak Dhar as a Director on the Board as set out in the resolution.



# LILY COMMERCIAL PRIVATE LIMITED

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## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:

Name of the Company:

Registered office:

Name of the Member(s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the Member(s), holding \_\_\_\_\_ shares of the above named company, hereby appoint:

(1) Name : \_\_\_\_\_ Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

(2) Name : \_\_\_\_\_ Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

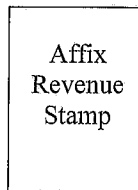
As my/our Proxy to attend and vote (on a poll) for me/us on my/our behalf at Annual General Meeting of the Company to be held on **15.07.2023** on **Saturday** at **404, Akash Deep Building, 26A, Barakhamba Road, New Delhi-110001** at **11:00 A.M.** and any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
1	Approval of Annual Accounts		
2	Appointment of Director		
3	Directors retiring by rotation		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Signature of the Shareholder(s) \_\_\_\_\_

Email ID \_\_\_\_\_



Signature of Proxy holder(s) \_\_\_\_\_

### NOTES:

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 Annual General meeting.
- 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. The details of resolutions should be filled in before submission of Proxy Form.
4. Please complete all details including details of Member(s) in above box before submission.

# LILY COMMERCIAL PRIVATE LIMITED

404, AKASHDEEP BUILDING, 26-A, BARAKHAMBA ROAD, NEW DELHI – 110 001.

PHONES:- 41540587, 41543387 FAX:- 41540587 email:- [admin@hivac.in](mailto:admin@hivac.in) CIN:U65923DL1985PTC306331

## DIRECTORS REPORT

The Directors present herewith the Annual Report and the Audited Financial statements of the Company for the year ended 31<sup>st</sup> March, 2023.

The operations of the Company during the year under review have resulted in a profit of Rs. 653.05 Lacs after providing for taxes against Rs. 144.31 Lacs for the previous year, which is proposed to be carried over to Balance Sheet. Income during the year is higher on account of gain on sale of its investments in shares held by the Company. No dividend is recommended.

Your Company proposes to file a Scheme of Arrangement before the Hon'ble NCLT, New Delhi for amalgamation of four Companies viz. Versa Trading Private Limited, Bantam Enterprises Private Limited, Hi-Vac Wares Private Limited and H R Travels Private Limited with it. The Scheme is to be filed under Section 230 to 232 and other applicable provisions of the Companies Act, 2013.

During the year, the Company has neither accepted nor renewed any public deposits under Section 73 (Acceptance of Deposit Rules 2014) of the Companies Act, 2013.

Mr. Madhav B. Shriram (DIN:00203521) and Mrs. Urvashi Tilak Dhar (DIN: 00294265) were co-opted as an Additional Directors of the Company on 28.03.2023 and shall hold office of Director upto the ensuing Annual General Meeting and being eligible offer themselves for appointment. Mr. Akshay Dhar ceased to be a Director of the Company w.e.f. 28.03.2023.

Mr. Alok B. Shriram (DIN:00203808) and Mr. Sunil Kumar Chowdhary (DIN: 08866999), directors being longest in office retires by rotation and being eligible, offer themselves for re-appointment.

During the year 2022-2023, Seven Board Meetings were held.

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

- (a) In the preparation of annual accounts, the applicable accounting standards have been followed along with explanation relating to material departures, wherever necessary.
- (b) The Company has selected such accounting policies and applied them consistently and made judgments 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 and loss of the company for that period.
- (c) Proper and sufficient care has been taken 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 annual accounts have been prepared on a going concern basis; and

# LILY COMMERCIAL PRIVATE LIMITED

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- (e) Proper and effective internal financial control systems have been devised by the Company to ensure compliance with the provisions of all applicable laws and that such systems commensurate with the size and scale of operations and the same are adequate and operating effectively.

In terms of Section 149 of the Companies Act, 2013, the Company is not required to have any independent director on its Board.

The provisions of Section 178 (1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to the matters as provided under Section 178 (3) of the Companies Act, 2013.

Auditors' observations are self-explanatory and / or suitably explained, wherever necessary, in the appropriate notes to accounts. There are no qualifications or adverse remarks in the Auditor's Report to the members on the Annual Financial Statements for the year under review. The provisions relating to submission of Secretarial Audit Report are not applicable to the Company.

The related party transactions, if any, entered during the year by the Company were on arm's length basis and were in the ordinary course of business.

No significant Orders have been passed by any Courts or Tribunals impacting the going concern status and Company's operations in future.

Provisions of Section 134 (m) of the Companies Act, 2013 relating to energy conservation and Technology absorption, Foreign Exchange earnings and outgo and the provisions of Section 135 with respect to Corporate Social Responsibility, are not applicable to the Company.

There were no employees who were in receipt of emoluments as mentioned in Rule 5 (2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

The Company does not have any web address.

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

The Company has adequate internal control system commensurate with the size and scale of its operations.

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# LILY COMMERCIAL PRIVATE LIMITED

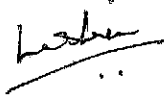
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The Company besides having one subsidiary has two Associate Companies and the salient features of the Financials of the Subsidiary and Associate Companies are mentioned in **Form AOC-1** attached herewith as **Annexure-I**. The Financials of the Associate Companies are consolidated with the Company as per Accounting Standards AS-23.

By Order of the Board



(Madhav B. Shriram)

Chairman

DIN: 00203521

Place: New Delhi

Date: 06 APR 2023

**LILY COMMERCIAL PVT. LTD.**

**Annexure - I**

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies  
**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.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	H.R. Travels Pvt. Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2022 to 31.03.2023
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4.	Share capital	15500200
5.	Reserves & surplus	42661109
6.	Total assets	11321443
7.	Total Liabilities	2884155
8.	Investments	49724022
9.	Turnover	8915487
10.	Profit before taxation	8757542
11.	Provision for taxation	1467608
12.	Profit after taxation	7289934
13.	Proposed Dividend	NIL
14.	% of shareholding	100

For Lily Commercial Pvt. Ltd.

  
(Madhav B. Shriram)

Chairman

DIN: 00203521



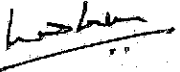
**LILY COMMERCIAL PVT. LTD.**

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related

Name of Associates	Bantam Enterprises Pvt. Ltd.	Versa Trading Pvt. Ltd.
1. Latest Audited Balance Sheet Date	March 31, 2023	March 31, 2023
<b>2. Shares of Associates As on March 31, 2023</b>		
- No.	295	7672317
- Amount of Investment (Rs.)	318856	70069546
- Extend of Holding %	29.5	33.14
3. Description of How there is significant influence	Closely Held Promoters Company	Closely Held Promoters Company
4. Reason why the associate is not consolidated	It is Consolidated	It is Consolidated
5. Net worth attributable to shareholding as per latest audited balance sheet (Rs.)	41800678	115299660
<b>6. Profit/Loss for the year (Rs.)</b>		
• Considered in Consolidation	26795002	5208000
• Not Considered in Consolidation	48594327	10506326

For Lily Commercial Pvt. Ltd.



(Madhav B. Shriram)

Chairman

DIN: 00203521

## INDEPENDENT AUDITOR'S REPORT

**To the Members of  
LILY COMMERCIAL PRIVATE LIMITED**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **LILY COMMERCIAL PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2023, its profit and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises Board's report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

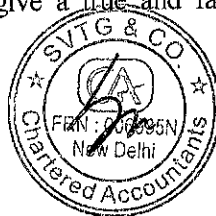
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including cash flows of the Company in accordance with the accounting standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

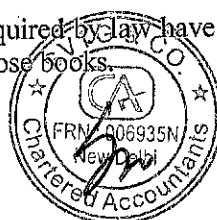
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. (A) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows 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.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 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 over financial reporting with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, the Company does not pay remuneration to any of its Directors. Consequently, this clause has not been reported upon.
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (a) The Company does not have any pending litigations which would impact its financial position.
  - (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (d) (i) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



(iii) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (i) and (ii) above contain any material mis-statement.

(e) The Company has not declared or paid any dividend during the year.

For SVTG & Co  
Chartered Accountants  
Registration No. 006935N

  
CA Sanjay Vohra

Partner

Membership No. 095930

Flat S-2, 4384/4A, Ansari Road, Daryaganj

Delhi- 110002

UDIN : 23095930BGXXNR9469

Date: 06-04-2023

Place: Delhi



### **ANNEXURE 'A' TO INDEPENDENT AUDITOR'S REPORT**

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

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2023, we report the following:

- (i) (a) (A) The Company has no fixed assets hence para (a) to (d) are not applicable.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The company has no Inventories during the financial year. In our Opinion Clause (a), and (b) not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in, provided any guarantee or security but granted Unsecured loan to an Associate Company during the year as per details given below:

Loan Amount – Rs. 39.00 Lacs

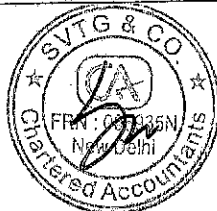
Rate of Interest – 7% (4.00 Lacs) & 7.5% (35.00 Lacs)

Tenure of loan – 1 Year

Balance Outstanding – Rs. 43.00 Lacs

- A) The aggregate of Investments made, unsecured loans and Advances granted and provided security/ guarantee to its subsidiaries/ Joint Ventures/ Associate of the company are as under:

Entity	Subsidiary/ Joint Venture/ Associate	Nature of Transaction Equity/ Loan/ Guarantee	Aggregate amount granted/ Provided during the year Rs. "000	Balance Outstanding as on March 23 Rs. "In Lacs"
Bantam Enterprises Pvt. Ltd.	Associate	Investment in Equity	-	3.19
Versa Trading Ltd.	Associate	Investment in Equity	-	700.70
DCM Containers & Engineering Pvt Ltd.	Associate	Investment in Equity	-23.43	-
H . R. Travels Pvt Ltd.	Subsidiary	Investment in Equity	-	162.31
Bantam Enterprises Pvt. Ltd.	Associate	Short Term Loan	39.00	3.19
Versa Trading Ltd.	Associate	Investment in Preference shares	182.13	182.13



B) The aggregate of Investments made, unsecured loans and Advances granted and provided security/ guarantee to companies other than its subsidiaries/ Joint Ventures/ Associate are as under:

Entity	Subsidiary/ Joint Venture/ Associate	Nature of Transaction Equity/ Loan/ Guarantee	Aggregate amount granted/ Provided during the year Rs. "In Lacs"	Balance Outstanding as on March 23 Rs. "In Lacs"
DCM Shriram Industries Ltd.	NA	Investment in Equity	376.65	1734.81
DCM Hyundai	NA	Investment in Equity	-0.20	-
Varuna Overseas Pvt. Ltd.	NA	Investment in Equity	-0.01	-

b) In our Opinion, the investments made/ Guarantee provided or security given and the terms and conditions of grant of all the loans & advances in the nature of loans & guarantees provided are prima facie, not prejudicial to the interest of the company.

c) As per information and explanations given to us by the management, loans and advances in nature of loans granted by the company are repayable on maturity for repayment of principal and payment of interest.

d) As per information and explanations given to us by the management, there are no overdue(s) which are outstanding for more than ninety days as at the balance sheet date.

e) As per information and explanations given to us by the management, loans or advances in the nature of loan are not fallen due during the year.

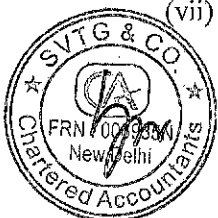
f) As per information and explanations given to us by the management, all loans or advances in the nature of loans granted by the company to subsidiaries/ Joint Ventures / Associates are repayable on Maturity of the Loan.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of Loans, Investments and guarantees, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of service tax, duty of excise, sales tax and value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ("GST")



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 GST, Provident fund, Employees' State Insurance, Income-Tax (deducted at source) and other statutory dues have been regularly deposited by the Company with the appropriate authorities. As explained to us, the company did not have any dues on account of duty of customs and cess.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax (deducted at source) and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues referred to in (vii)(a) above which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank. The company has not taken any loan or borrowing from any financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, no term loan has been taken by the company during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no short-term funds have been used for long-term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.





- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- (xiv) In our opinion and based on our examination, the company is not required to have an internal audit system as per provisions of the Companies Act, 2013.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company has not conducted any Non- Banking financial or Housing Finance Activities. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (b) The Company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, it is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.
- (xvii) The Company has not incurred any cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of Financial Ratios, Ageing and expected date of realization of Fixed Assets and payment of financial liabilities, other information accompanying the financial statements, the auditors' knowledge of the Directors and Management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that the company is capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date.



(xx) In our opinion and according to the information and explanations given to us, the provisions of Section 135 of Companies Act, 2013 with regard to Corporate Social Responsibility are not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For SVTG & Co**  
**Chartered Accountants**  
**Registration No. 006935N**



**CA Sanjay Vohra**

**Partner**

**Membership No. 095930**

**Flat S-2, 4384/4A, Ansari Road, Daryaganj**

**Delhi- 110002**

**UDIN : 23095930B4XXNR9469**

**Date: 06-04-2023**

**Place: Delhi**



## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

### **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 over financial reporting with reference to financial statements of **LILY COMMERCIAL PRIVATE LIMITED** ("the Company") as on 31<sup>st</sup> March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to 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 over financial reporting with reference to financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 internal financial controls system over financial reporting with reference to financial statements of the Company.

#### **Meaning of Internal Financial Controls Over Financial Reporting with Reference to Financial Statements**

A company's internal financial control over financial reporting with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to 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



Contd.....

receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

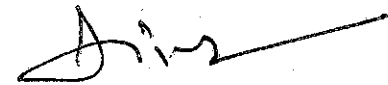
**Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to Financial Statements**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to financial statements and such internal financial controls over financial reporting with reference to financial statements were operating effectively as at 31<sup>st</sup> March, 2023, based on the internal control over financial reporting with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SVTG & Co**  
**Chartered Accountants**  
**Registration No. 006935N**



**CA Sanjay Vohra**

**Partner**

**Membership No. 095930**

**Flat S-2, 4384/4A, Ansari Road, Daryaganj**

**Delhi- 110002**

**UDIN : 23095930BGXXNR9469**

**Date: 06-04-2023**

**Place: Delhi**



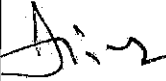
**Balance Sheet As On 31st March, 2023**

Particulars	Note No.	Lac/Rs.	
		Figures as at the end of current reporting period Rs.	Figures as at the end of previous reporting Period Rs.
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	477.96	477.96
(b) Reserves and surplus	2	2,402.04	1,748.99
<b>Total(1)</b>		<b>2,880.00</b>	<b>2,226.95</b>
<b>3 Current liabilities</b>			
(a) Short Term Borrowings	3	-	50.00
(c) Other current liabilities	4	0.37	33.01
(d) Short-term provisions	5	367.56	173.45
<b>Total(2)</b>		<b>367.93</b>	<b>256.47</b>
<b>Grand Total</b>		<b>3,247.93</b>	<b>2,483.42</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Non-current investments	6	2,783.14	2,247.99
(c) Deferred Tax Assets		0.32	1.35
(d) Long term loans and Advances	7	182.72	119.39
<b>Total(1)</b>		<b>2,966.17</b>	<b>2,368.72</b>
<b>2 Current assets</b>			
(d) Cash and cash equivalents	8	49.51	43.33
(e) Short-term loans and advances	9	232.25	71.36
<b>Total(2)</b>		<b>281.76</b>	<b>114.70</b>
<b>Grand Total</b>		<b>3,247.93</b>	<b>2,483.42</b>

See accompanying notes forming part of the financial statements  
 In terms of our report attached.


For SVTG & Company  
 Chartered Accountants

FOR LILY COMMERCIAL PVT. LTD.


  
 (Sanjay Vohra)  
 Partner



  
 Accounts Officer

  
 Urvashi Tilak Dhar    Madhav B. Shriram  
 DIN:00294265                      DIN: 00203521

Place: Delhi  
 Date: 06-04-2023  
 UDIN: 23095930 BGXXNR9469

  
 S.K. Jain                        
 DIN -00278611                      DIN -08866999

**LILY COMMERCIAL PVT. LTD.**

**Flat No. 404, Akashdeep Building, 26-A, Barakhamba Road, New Delhi -110 001**

**CIN:U65923DL1985PTC306331**

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2023**

Lac/Rs.

Particulars	Note No.	Figures for the period	Figures for the
		ending 31.03.2023	previous reporting period
		Rs.	Rs.
I Revenue from operations (gross)	10	0.63	1.24
Less: Excise Duty		-	
Revenue from operations (net)		0.63	1.24
II Other Income	11	857.59	236.42
III Total Income (I+II)		858.22	237.66
IV Expenses			
(a) Finance costs	12	1.57	0.13
(b) Other expenses	13	8.40	1.32
Total Expenses		9.98	1.46
V Profit before exceptional and extraordinary item and tax		848.24	236.20
VI Exceptional Items		-	-
VII Profit before extraordinary item and tax		848.24	236.20
VIII Extraordinary Items		-	-
IX Profit before Tax		848.24	236.20
X Tax Expense:			
(a) Current tax expense		194.16	58.42
(b) Deferred tax		1.03	1.03
(c) Income tax on buy back of shares		-	32.44
		195.19	91.89
XI Profit / (Loss) for the period from continuing operations		653.05	144.31
XII Profit / (Loss) from discontinuing operations		-	-
XIII Tax from discontinuing operations		-	-
XIV Profit/ (Loss) from discontinuing operations		-	-
XV Profit/(Loss) for the Period		653.05	144.31
XVI Earning per equity share: ( Exact RS.)			
(1) Basic		136.63	30.19
(2) Diluted		136.63	30.19

See accompanying notes forming part of the financial statements

In terms of our report attached.

For SVTG & Company

Chartered Accountants

FOR LILY COMMERCIAL PRIVATE LIMITED

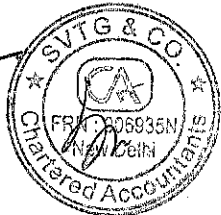
(Sanjay Vohra)

Partner

Place: Delhi

Date: 06-04-2023

UDIN: 23095930 BQXXNR9469



*Muwashir Sikalkhan*

*U.T.*

Accounts Officer

Urvashi Tilak Dhar  
DIN:00294265

Madhav B. Shriram  
DIN: 00203521

*S.K. Jain*  
S.K. Jain  
DIN -00278611

*S.K. Chowdhary*  
S.K. Chowdhary  
DIN -08866999

**LILY COMMERCIAL PVT. LTD. PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2023**

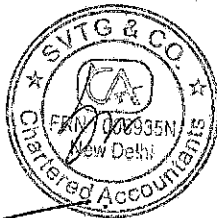
	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
<b>(A)</b>	<b>Cash flow from Operating Activities</b>		
	Profit Before Tax	848.24	236.20
	Interest Received	-0.63	-1.24
	Dividend Received	-236.28	-236.28
	Gain on redeption of MF/Bonds/Shares	-621.31	-0.14
	<b>Operating Profits before working Capital changes</b>	-9.98	-1.46
	Adjustment for:		
	Increase /(Decrease) in Other Current liabilities	-32.70	0.22
	Increase /(Decrease) in Short Term Borrowings	-50.00	
	(Increase)/Decrease in Loan and advances	-39.00	
	(Increase)/Decrease in Current Assets	0.55	-1.11
	<b>Cash from Operating Activities Before Tax</b>	-121.15	-0.89
<b>Less:</b>	Income Tax paid	185.77	63.42
	<b>Net Cash (used)/ Generating from Operating Activites (A)</b>	-316.90	-65.77
<b>(B)</b>	<b>Cash Flow from Investing Activities</b>		
	Dividend Received	236.28	236.28
	Gain on redeption of MF/Bonds/Shares	621.31	0.14
	Interest Received	0.63	1.24
	Purchase of Investments	-535.15	-0.31
	<b>Net Cash (used)/Generating from Investing Activites (B)</b>	323.07	237.35
<b>(C)</b>	<b>Cash Flow from Financing Activities</b>		
	Issue of Fresh share capital	-	-40.00
	Premium on Buy back of Shares	-	-139.26
	Short Term Borrowings	-	50.00
	Short Term Loans and Advances	-	-4.00
	<b>Net Cash Generating From Finacing Activities (C)</b>	-	-133.26
	Net increase decrease in cash & cash equaivalants (A+B+C)	6.18	38.32
	<b>Opening Cash and Cash equivalents</b>	43.33	5.02
	<b>Closing Cash and Cash equivalents</b>	49.51	43.33

In terms of our separate report of even date

For SVTG & Co.

Chartered Accountants

(FRN.: 006935N)



ACCOUNTS OFFICER

FOR LILY COMMERCIAL PVT. LTD.

*Urvashi Tilak Dhar*

Urvashi Tilak Dhar  
DIN: 00294265

Madhav B. Shriram  
DIN: 00203521

*S.K. Jain*  
S.K. Jain  
DIN -00278611

*S.K. Chowdhary*  
S.K. Chowdhary  
DIN -08866999

(Sanjay Vohra)

Membership No.: 095930

PARTNER

DATED: 06-04-2023

JDIN: 23095930BGXXN R9469

**LILY COMMERCIAL PVT. LTD.**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

**Note -1. SHARE CAPITAL**

Lac/Rs.

Particulars	Figures for the period ending 31.03.2023		Figures as at the end of previous reporting	
	Number of shares	Rs.	Number of shares	Rs.
<b>(a) Authorised</b>				
Equity shares of Rs.100/- each with voting rights	1099000	1099.00	1099000	1099.00
Preference shares - 12.50 % Redeemable Non Cumulative of Rs. 100/-	1000	1.00	1000	1.00
	1100000	1100.00	1100000	1100.00
<b>(b) Issued, Subscribed and Paid up</b>				
Equity shares of Rs.100 each with voting rights	477963	477.96	477963	477.96
<b>Total</b>	<b>477963</b>	<b>477.96</b>	<b>477963</b>	<b>477.96</b>

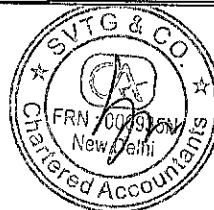
**List of Shareholders holding more than 5% share capital**

Figures for the period ending 31.03.2023				
Name of Shareholders	No. of Shares	%	Value/Share	Total Value
- Mr. Alok B. Shriram Karta- L. Bansil Dhar & Sons	268491	56.17	100	268.49
- Akshay Foundation	74779	15.65	100	74.78
- Bantam Enterprises Pvt. Ltd.	31733	6.64	100	31.73
- H.R. Travels Pvt. Ltd.	30551	6.39	100	30.55
<b>TOTAL</b>	<b>405554</b>	<b>84.85</b>		<b>405.55</b>

Previous reporting Period				
Name of Shareholders	No. of Shares	%	Value/Share	Total Value
- Mr. Alok B. Shriram Karta- L. Bansil Dhar & Sons	268491	56.17	100	268.49
- Akshay Foundation	82579	17.28	100	82.58
- Bantam Enterprises Pvt. Ltd.	31733	6.64	100	31.73
- H.R. Travels Pvt. Ltd.	30551	6.39	100	30.55
<b>TOTAL</b>	<b>413354</b>	<b>86.48</b>		<b>413.35</b>

**NOTE 1A. SHARES HELD BY PROMOTORS**

Figures for the period ending 31.03.2023				
Sr No.	Promotor's Name	No. of shares	% of total shares	% Change during the year
1	- Mr. Alok B. Shriram Karta - L. Bansil Dhar & Sons HUF	268491	56.17	-
2	- M/s Akshay Foundation	74779	15.65	(1.63)
3	- M/s Bantam Enterprises Pvt. Ltd.	31733	6.64	-
4	- M/s H.R. Travels Pvt. Ltd.	30551	6.39	-
5	- Mrs. Urvashi Tilak Dhar	12488	2.61	-
6	- M/s DCM Containers Pvt. Ltd	-	-	(0.71)
7	- M/s Versa Trading Pvt. Ltd	11183	2.34	2.34
8	- Mr. Madhav B. Shriram	9354	1.96	-
9	- Mrs. Karuna Shriram	8452	1.77	-
10	- Mrs. Suman Bansil Dhar	7470	1.56	-
11	- Mr. Alok B. Shriram	6457	1.35	-
12	- Mrs. Divya Shriram	5796	1.21	-
13	- Mr. Akshay Dhar	2531	0.53	-
14	- Ms. Aditi Dhar	2524	0.53	-
15	- Mr. Uday Shriram	2531	0.53	-
16	- Ms. Kanika Shriram	1386	0.29	-
17	- Mr. Rudra Shriram	1385	0.29	-
18	- M/s Hi-Vac Wares Pvt. Ltd.	709	0.15	-
19	- Mr. Akshay Dhar Karta- Tilak Dhar & Sons-HUF	136	0.03	-
20	Mr. S.K. Jain	7	0.00	-
<b>TOTAL</b>		<b>477963</b>	<b>100.00</b>	





**LILY COMMERCIAL PVT. LTD.**

Lac/Rs.

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

**Note 2 RESERVES AND SURPLUS**

<u>Particulars</u>	Figures for the period ending 31.03.2023	Figures for the previous reporting period
	Rs.	Rs.
<b>(A) Capital Redemption reserve</b>		
- Opening Balance	90.05	50.05
- Add: Transferred from Profit & Loss A/c -Buy back of shares	-	40.00
<b>- Closing Balances</b>	<b>90.05</b>	<b>90.05</b>
<b>(B) Capital Reserve</b>		
- Opening Balance	71.96	71.96
- Add: Addition during the year	-	-
- Closing Balance	<b>71.96</b>	<b>71.96</b>
<b>(C) General Reserve</b>		
- Opening Balance	128.31	128.31
- Add: Transferred from Reserve Fund	-	-
- Closing Balance	<b>128.31</b>	<b>128.31</b>
<b>(D) Profit &amp; Loss Account</b>		
- Opening Balance	1458.68	1493.63
- Less: Premium paid on Buy Back of 40000 shares @ 348.16	-	139.26
- Less: Cost of 40000 shares @ Rs. 100/- transferred to Capital Redemption Reserve	-	40.00
	1458.68	1314.36
- Addition During the Year	653.05	144.31
<b>Closing Balance</b>	<b>2111.72</b>	<b>1458.68</b>
<b>TOTAL</b>	<b>2402.04</b>	<b>1748.99</b>

**Note 3 SHORT TERM BORROWINGS**

<u>Particulars</u>	Figures for the period ending 31.03.2023	Figures for the previous reporting period
	Rs.	Rs.
<b>UNSECURED LOANS</b>		
DCM Hyundai Ltd.	-	50.00
<b>TOTAL</b>	<b>-</b>	<b>50.00</b>

**Note 4 OTHER CURRENT LIABILITIES**

<u>Particulars</u>	Figures for the period ending 31.03.2023	Figures for the previous reporting period
	Rs.	Rs.
Expenses Payable	0.37	0.45
Interest Payable	-	0.12
Income Tax on buy-back of Shares	-	32.44
<b>Total</b>	<b>0.37</b>	<b>33.01</b>

**Note 5 SHORT TERM PROVISIONS**

<u>Particulars</u>	Figures for the period ending 31.03.2023	Figures for the previous reporting period
	Rs.	Rs.
<b>Provision - for TAX</b>		
Provision for Income Tax(Prior Years)	173.40	114.98
Provision for Income Tax(Current Years)	194.16	58.42
TDS Payable	-	0.05
<b>Total</b>	<b>367.56</b>	<b>173.45</b>



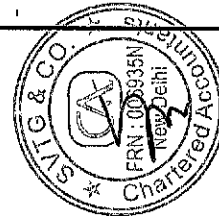
**LILY COMMERCIAL PVT. LTD.**  
**Note 6 NON CURRENT INVESTMENTS**

Lac/Rs.

	Figures for the period ending 31.03.2023	Figures for the previous reporting period
	Rs.	Rs.
<b>NOTE No. 6 A</b>		
<b>NON-CURRENT INVESTMENTS</b>		
(a) Investments in Equity Instruments	2601.01	2247.99
(b) Investments in Preference Shares	182.13	0.00
<b>Total</b>	<b>2783.14</b>	<b>2247.99</b>

NOTE NO. 6 (B)

	SHARES HELD		PAID UP VALUE		BOOK VALUE		MARKET VALUE	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	Nos.	Nos.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Non-Current Investments</b>								
<b>Other Investments - Long Term</b>								
<b>A. Investments in Equity Instruments</b>								
<b>1. Quoted</b>								
- Fully paid up equity share of Rs. 2/- each								
- DCM Shriram Industries Ltd.	16321115	15751765	326.42		1734.81	1358.16	10125.62	14499.50
<b>Sub-total</b>					<b>1734.81</b>	<b>1358.16</b>	<b>10125.62</b>	<b>14499.50</b>
<b>2. Un-Quoted</b>								
- Fully paid up equity shares of Rs. 10/- each								
- DCM Hyundai Ltd.	-	2250	-		-	0.20	Un-quoted	Un-quoted
- Versa Trading Pvt. Ltd.	7672317	7672317	767.23		700.70	700.70	Un-quoted	Un-quoted
- H.R. Travels Pvt. Ltd.	1550000	1550000	155.00		162.31	162.31	Un-quoted	Un-quoted
<b>Sub-total</b>					<b>863.01</b>	<b>863.21</b>	<b>Un-quoted</b>	<b>Un-quoted</b>
- Fully paid up equity shares of Rs. 100/- each								
- DCM Containers & Engineering Pvt. Ltd. - (Formerly - Hindustan Vacuum Glass Pvt. Ltd)	-	127710	-		-	23.43	Un-quoted	Un-quoted
- Bantam Enterprises Pvt. Ltd.	295	295	0.30		3.19	3.19	Un-quoted	Un-quoted
- Varuna Overseas Pvt. Ltd.	-	49	-		-	0.00	Un-quoted	Un-quoted
<b>Sub-total</b>					<b>3.19</b>	<b>26.62</b>	<b>Un-quoted</b>	<b>Un-quoted</b>
<b>Total (A)</b>					<b>2,601.01</b>	<b>2,247.99</b>	<b>Un-quoted</b>	<b>Un-quoted</b>
<b>B. - Fully paid up 5% Redeemable Non-Convertible Non-Cumulative Preference Shares of Rs. 100 each/-</b>								
- Versa Trading Pvt. Ltd.	242800	-	242.80		182.13	-	Un-quoted	Un-quoted
<b>Total (A+B)</b>					<b>2,783.14</b>	<b>2,247.99</b>	<b>10125.62</b>	<b>14499.50</b>



**LILY COMMERCIAL PVT. LTD.**

**Note 7 LONG TERM LOANS AND ADVANCES**

Lac/Rs.

Particulars	Figures for the period ending 31.03.2023	Figures for the previous reporting period
	Rs.	Rs.
TDS Receivable P.Y	182.72	119.39
<b>Total</b>	<b>182.72</b>	<b>119.39</b>
<b>TDS Receivable P.Y.</b>		
- Advance Tax 2019-20	5.16	5.16
- Advance Tax 2020-21	72.47	72.47
- Advance Tax 2021-22	38.84	41.76
- Advance Tax 2022-23	66.25	-
<b>Total</b>	<b>182.72</b>	<b>119.39</b>

**Note 8 CASH AND CASH EQUIVALENTS**

Particulars	Figures for the period ending 31.03.2023	Figures for the previous reporting period
	Rs.	Rs.
A) Cash In Hand	0.01	0.00
B) Bank Balance	49.50	0.45
C) Special Buy Back Bank Account	-	42.88
D) Escrow Account-Dividend Payment	-	-
<b>Total</b>	<b>49.51</b>	<b>43.33</b>

**Note 9 SHORT TERM LOANS AND ADVANCES**

Particulars	Figures for the period ending 31.03.2023	Figures for the previous reporting period
	Rs.	Rs.
<u>Bantam Enterprises Pvt. Ltd.</u>		
- Loan receivable	43.00	4.00
- Interest receivable	0.56	1.11
Others	-	-
	43.56	5.11
TDS Receivable A.Y 2023-24	188.69	-
TDS Receivable A.Y 2022-23	-	66.25
<b>Total</b>	<b>232.25</b>	<b>71.36</b>



**LILY COMMERCIAL PVT. LTD.**

**Note 10 REVENUE FROM OPERATIONS**

Lac/Rs.

Particulars	Figures for the period ending 31.03.2023	Figures for the previous reporting period
	Rs.	Rs.
- Interest Income	0.63	1.24
<b>Total</b>	<b>0.63</b>	<b>1.24</b>

**Note 11 OTHER INCOME**

Particulars	Figures for the period ending 31.03.2023	Figures for the previous reporting period
	Rs.	Rs.
<b>Other Income</b>		
(a) Dividend Received	236.28	236.28
(b) Gain on Redeption of MF units	0.00	0.14
(c) Gain/(Loss) on sale of shares	621.31	-
<b>Total</b>	<b>857.59</b>	<b>236.42</b>

**Note 12 FINANCE COST**

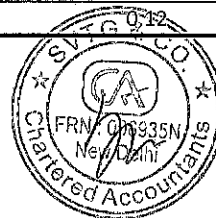
Particulars	Figures for the period ending 31.03.2023	Figures for the previous reporting period
	Rs.	Rs.
Interest on Unsecured loan	1.57	0.13
<b>Total</b>	<b>1.57</b>	<b>0.13</b>

**Note 13 OTHER EXPENSES**

Particulars	Figures for the period ending 31.03.2023	Figures for the previous reporting period
	Rs.	Rs.
<b>INDIRECT EXPENSES</b>		
Professional Fees	6.68	0.84
Staff Salary & Allowances	1.13	-
Audit Fees	0.40	0.40
Filing Fee	0.07	0.05
Other Expenses*	0.12	0.03
<b>Total (A+B)</b>	<b>8.40</b>	<b>1.32</b>

**\*Other Expenses**

- Share Depository Charges	0.02	-
- Printing & Stationery	-	0.02
- Postage & Courier	0.00	0.00
- Travelling & Conveyance	-	0.01
- Misc. Expenses	0.10	0.00
<b>Total</b>	<b>0.12</b>	<b>0.03</b>



LILY COMMERCIAL PVT. L.TD.  
Ratios

Particulars	Numerator	Current Period		Previous Period		Ratios		% Variance	Reason for Variance
		Rs.	Rs.	Rs.	Rs.	Current Period	Previous Period		
Current Ratio	Current assets	282	194,53,202	114,69,780	206,46,583	1.45	0.56	0.89	-
Debt - Equity Ratio	Total Debt	-	2880	5,000,000	222,65,347.5	0.00	0.02	-0.02	-
Debt Service Coverage Ratio	Earning available for debt service	1	1,57,192	12,36,800	5,013,356.00	0.40	0.02	0.38	-
Return on Equity (ROE)	Net Profit after taxes	653	1113	14,431,127	22,444,298.4	0.59	0.06	0.53	-
Inventory turnover ratio	Cost of Goods sold (COGS)	-	-	-	-	-	-	-	-
Trade receivables turnover ratio	Revenue	-	-	-	-	-	-	-	-
Trade payables turnover ratio	Purchases of service and other expenses	-	-	-	-	-	-	-	-
Net capital turnover ratio	Revenue	1	87	12,36,800	(917,602.73)	0.01	(0.01)	0.02	Increase in Dividend Income and gain on sale of shares
Net profit ratio	Net profit	653	1	14,431,127	12,36,800	10.42	117	925.09	and decrease in revenue income
Return on capital employed (ROCE)	Earning before interest and taxes	850	2880	23,63,349.1	22,26,95,347	0.30	0.11	0.19	-
Return on Investment (ROI)	Income generated from investments	858	2783	23,76,666.1	22,47,98,90.4	31	11	19.84	-



**LILY COMMERCIAL PRIVATE LIMITED**  
**For the year ending March 31, 2023**

**NOTE NO-15**  
**SIGNIFICANT ACCOUNTING POLICIES**

**A. Accounting convention:**

The financial statements have been prepared in accordance with Indian Generally Accepted Principles ("GAAP") under the historical cost convention on accrual basis and are in accordance with the Companies Act 2013 and the applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and prescribed in the Companies (Accounting Standards) Rules, 2006. These accounting policies have been consistently applied, except where a newly issued accounting Standard is initially adopted by the Company. Management evaluates the effect of Accounting Standard issued on a Going Concern Basis and ensures that they are adopted as mandated by the ICAI.

**B. Use of Estimates:**

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of financial statements and reported amounts of income and expenses during the period. Examples of such estimates includes provisions for doubtful debts, future obligation under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets. Actual results could differ from that estimate. Any revision to accounting estimate is recognized prospectively in the current and future periods.

**C. Taxation**

Tax Expense comprises of current tax. Current income tax is measured at the amount expected to pay to the tax authorities in accordance with the income tax act 1961.

**E. Revenue recognition:**

**(i) Dividends and Interest**

Revenue from Dividend is recognized on receipts basis and Interest on accrual basis. During the year the Company has received Interest Income on Term Deposit.

**F. Employee Benefit**

The Provisions of Employees Provident Fund, Employees State Insurance Act and payment of Bonus Act & Gratuity Act do not apply to the Company.

**G. Cash Flow Statement.**

Cash Flow Statement has been prepared using Indirect Method and any deferrals or accrual of past or future operating cash receipts and payments, and items of income and expenses associated with investing and financing cash flows. The cash flow from Operating and Investing and Financing activities is segregated in conformity with AS-3 Revised on Cash Flow Statement.



## H. Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, net profit or loss for the period 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.

## I. Subsidiary/Joint Venture/Associates Company

### A. List of Subsidiary/ Associates Companies under section 129 (3) of the Companies Act, 2013.

Name of the Company	% Holding	% Holding	Nature of Association	
	31.3.2023	31.3.2021	31.03.2023	31.03.2021
- Bantam Enterprises Pvt. Ltd.	29.50	29.50	Associates	Associates
- Versa Trading. Pvt. Ltd.	33.14	33.14	Associates	Associates
DCM Containers & Engineering P.L. (Formerly- Hindustan Vacuum Glass Pvt. Ltd.)	-	34.93	-	Associates
- H.R. Travels Pvt. Ltd.	100.00	100.00	Subsidiary	Subsidiary

B. (B) Apart From Above, As on March 31, 2023, Company is holding 18.76 % equity shares directly in its own name and 3.69 % through its subsidiary, aggregating to 22.45 % in DCM Shriram Industries limited, however it has no significant influence over the DCM Shriram Industries Ltd. Hence, the same is not considered as an Associate company for the purpose of consolidation.



Additional information:

Name of Associates	Bantam Enterprises Pvt. Ltd.	Versa Trading Pvt. Ltd.
1. Latest Audited Balance Sheet Date	March 31, 2023	March 31, 2023
2. <u>Shares of Associates As on March 31, 2023</u>		
No.	295	7672317
Amount of Investment (Rs.)	318856	70069546
Extend of Holding %	29.5	33.14
3. Description of How there is significant influence	Closely Held Promoters Company	Closely Held Promoters Company
4. Reason why the associate is not consolidated	It is Consolidated	It is Consolidated
5. Net worth attributable to shareholding as per latest audited balance sheet (Rs.)	41800678	115299660
6. <u>Profit/Loss for the year (Rs.)</u>	75389329	15714326
• Considered in Consolidation	26795002	5208000
• Not Consideration in Consolidation	48594327	10506326





## J. RELATED PARTY TRANSACTIONS

Relationship	Related Party	Transactions	
		Current Year	Previous Year
- Director/Relative	- Mr. Alok B. Shriram - Mr. Akshay Dhar - Mrs. Urvashi Tilak Dhar - Mr. Madhav B. Shriram - Mr. S.K. Jain - Mr. S.K. Chowdhary	NIL	NIL
- Private Cos. In which director/ manager is a director or	- H.R. Travels P.L. - DCM Containers & Engineering P.L. (Formerly- Hindustan Vacuum Glass Pvt. Ltd.)  - Shriram Midivisana P.L.	Loan Bantam – 6100000 -2200000 Balance – 4300000	NIL
- Public Cos. in which director/ along with relatives more than 2% of share capital.	- Bantam Enterprises P.L. - Versa Trading Pvt. Ltd.  - DCM Shriram Industries Ltd. (Dividend Received/ INR)  - Synergy Environics Ltd. -DCM Hyundai Ltd.	23627648	23627648
- Individuals/Relatives having sig- nificant influence over the enterprises by way of Voting power.	- L. Bansi Dhar & Sons	NIL	NIL

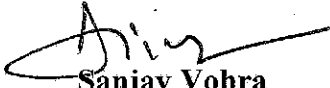



**Comparative figures**


The figures of previous year have been regrouped / reclassified, wherever, necessary to confirm to the current year's classification.

**For SVTG & Co**  
**Chartered Accountants**  
(Firm Registration no. 006935N)

**For Lily Commercial Private Limited**

  
**Sanjay Vohra**  
**Partner**  
**M.No. 095930**

  
**Urvashi Tilak Dhar**  
**Director**  
**DIN-00294265**

  
**Madhav B. Shriram**  
**Director**  
**DIN: 00203521**

  
**S.K. Jain**  
**Director**  
**DIN-00278611**

  
**S.K. Chowdhary**  
**Director**  
**DIN-08866999**

**Place: New Delhi**

**Dated: 06-04-2023**



USS

ANNEXURE - 6

**DCM SHRIRAM FINE**  
**CHEMICALS LIMITED**

**ANNUAL REPORT 2022-23**

SR



# DCM SHRIRAM FINE CHEMICALS LIMITED

(a wholly owned subsidiary of DCM Shriram Industries Ltd.)



Regd. Office: 6<sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001, INDIA  
CIN: U24296DL2021PLC387429

## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that 2<sup>nd</sup> Annual General Meeting of the Company will be held on **Saturday, the 15<sup>th</sup> July, 2023** at 02.30 P.M. at the registered office of the Company, situated at 6<sup>th</sup> floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the period ended 31<sup>st</sup> March, 2023 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri Vineet Manaktala (DIN: 09145644), who retires by rotation and being eligible, offers himself for reappointment.

### SPECIAL BUSINESS:

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

**RESOLVED THAT** Smt. Urvashi Tilakdhar (DIN:00294265), who was appointed as a director in the casual vacancy caused by the resignation of Shri Alok B. Shriram, w.e.f. 06.12.2022 and holds office till the ensuing Annual General Meeting, be and is hereby appointed as a director liable to retire by rotation.

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

**RESOLVED THAT** Shri Akshay Dhar (DIN:01078392), who was appointed as a director in the casual vacancy caused by the resignation of Shri Madhav B. Shriram, w.e.f. 06.12.2022 and holds office till the ensuing Annual General Meeting, be and is hereby appointed as a director liable to retire by rotation.

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

**RESOLVED THAT** pursuant to Section 196 read with Section 203 of the Companies Act, 2013, the appointment of Shri Akshay Dhar (DIN:01078392), as a Whole Time Director & Chief Executive Officer of the Company, w.e.f. 07.12.2022, for a term of two years, on the terms and conditions as given in the Explanatory Statement, be and is hereby approved.



TEL: (011) 43745000 E-mail : [vineetmanaktala@dcmsr.com](mailto:vineetmanaktala@dcmsr.com)



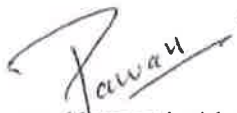
4. To consider and, if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

**RESOLVED THAT** pursuant to Section 196 read with Section 203 of the Companies Act, 2013, the appointment of Shri Vineet Manaktala (DIN: 09145644), as Chief Financial Officer of the Company, w.e.f 07.12.2022, for a term of two years, on the terms and conditions as given in the Explanatory Statement, be and is hereby approved.

By order of the Board  
For DCM SHRIRAM FINE CHEMICALS LIMITED

New Delhi  
23<sup>rd</sup> May, 2023



  
Pawan Kumar Lakhota  
Company Secretary  
FCS 11409

**Notes:**

1. 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 instrument of the proxy, in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A proxy form is annexed to this report.
2. Corporate member intending to send its authorized representative to attend the Meeting is requested to send to the Company a certified copy of the Board Resolution authorizing its representative to attend and vote on its behalf at the Meeting.
3. The Register of Directors and their Shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the meeting.





12/22

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

**Special Business**

**Item No.1**

Shri Alok B. Shriram, resigned from the Board of Directors. w.e.f. 6.12.2022 and Smt. Urvashi Tilakdhar has been appointed to the casual vacancy from the said date.

Smt. Urvashi Tilakdhar (DIN:00294265) is the Whole Time Director of the holding company, DCM Shriram Industries Ltd. She is looking after the holding company's chemical business. The proposed business of the company has synergy with the chemical business of the holding company and accordingly, Smt. Urvashi Tilakdhar services are in the interest of the Company.

She has given her consent u/s 152 of the Companies Act, 2013 to act as a Director and confirmed that she has not been disqualified or debarred to be appointed as a director of a Company under the Companies Act, 2013 or any other statutes.

Except Shri Akshay Dhar, none of the directors and Key Managerial Personnel of the Company is related to Smt. Urvashi Tilakdhar and deemed to be interested in the resolution. No other director, KMP, or their relatives is concerned or interested, financially or otherwise, in the resolution.

**Item No. 2 & 3**

Shri Akshay Dhar was inducted into the Board in the casual vacancy caused by the resignation of Shri Madhav B. Shriram, w.e.f. 06.12.2022 and holds office till the ensuing AGM. It is proposed to appoint Shri Akshay Dhar as a regular director, liable to retire by rotation.

As per section 203 of the companies Act, the Company has to have Whole Time Director/ CEO. The board in its meeting held on 06.12.2022 appointed Shri Akshay Dhar as a Whole Time Director & CEO of the company for a term of two years from 07.12.2022, subject to the approval of the shareholders u/s 196 of the Companies Act. He is a whole time employee of the holding company, DCM Shriram Industries Ltd and presently President (Business Group Chemicals). He shall not be drawing any remuneration from the Company.



Mr. Akshay Dhar has given his consent u/s 152 of the Companies Act, 2013 to act as a Director and confirmed that he has not been disqualified or debarred to be appointed as Director of a Company under the Companies Act, 2013 or any other statutes

Except Smt. Urvashi Tilak Dhar, none of the directors and Key Managerial Personnel of the Company is related to Shri Akshay Dhar and deemed to be interested in the resolution. No other director, KMP, or their relatives is concerned or interested, financially or otherwise, in the resolution.

**Item No. 4**

Shri Vineet Manaktala is the Director Finance & CFO of the holding company, DCM Shriram Industries Ltd. As per Section 203 of the Companies Act, the Company has to have a Chief Financial Officer as one of the KMPs. Accordingly, the Board in its meeting held on 06.12.2022 appointed Shri Vineet Manaktala as the Chief Financial officer of the Company for a term of 2 years w.e.f. 07.12.2022. Shri Vineet Manaktala will not be drawing any remuneration from the Company. He is a Chartered Accountant with long experience and his guidance be of great help to the company in its nascent stage of establishment.

Except Shri Vineet Manaktala, none of the directors is interested in the resolution. No other director, KMP, or their relatives is concerned or interested, financially or otherwise, in the resolution.



# DCM SHRIRAM FINE CHEMICALS LIMITED

(a wholly owned subsidiary of DCM Shriram Industries Limited)



6<sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001, INDIA

## DIRECTORS' REPORT

To  
The Members of  
**DCM SHRIRAM FINE CHEMICALS LIMITED**

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of your Company for the year ended 31st March, 2023 together with the Report of the Auditors and the Board of Directors thereon.

### FINANCIAL HIGHLIGHTS

#### STATE OF COMPANY'S AFFAIRS

The Company has not yet commenced any business. The Company was provided funds amounting to Rs. 659.63 lakhs during the financial year by the holding company DSIL for payment of instalments towards land allotted on lease by GIDC and other process and the amount is treated as "Advance against Capital."

#### CHANGE IN NATURE OF BUSINESS

The Company is yet to commence business.

#### CAPITAL STRUCTURE

The Board of Directors in its meeting held on 29.09.2022 had allotted further Equity Shares of 9,99,50,000 of Rs. 2 each to the Holding Company DCM Shriram Industries Ltd. for cash at par. With this allotment, the total paid-up Equity Shares Capital has become Rs. 20,00,00,000 (Rupees Twenty Crore) divided into 10,00,00,000 (Ten Crore) Equity Shares of Rs. 2 each. The Holding Company had further advanced funds to the Company for payment of instalments to GIDC and for other expenses amounting to Rs. 3.31 crore. Further, Equity shares will be allotted against such advances in consultation with the Holding Company.

#### BOARD MEETINGS AND DIRECTORS

##### **Meetings of the Board**

During the Financial Year 2022-23, the Company held six meetings of the Board of Directors.

#### CHANGES IN DIRECTORS OR KMP

The Board in its meeting held on 06.12.2022 had appointed Smt. Urvashi Tilakdhar and Shri Akshay Dhar as Directors in the casual vacancies caused by the resignation of Shri Alok B. Shriram and Shri Madhav B. Shriram respectively. A proposal for the appointment of Smt. Urvashi Tilakdhar as a director liable to retire



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by rotation u/s 152(6) of the Act is being included in the notice convening the ensuing AGM for approval of the shareholders. Shri Pawan Kumar Lakhotia was appointed as Company's Company Secretary w.e.f. 19.05.2022.

In compliance with Section 203 of the Companies Act, 2013, Shri Akshay Dhar & Shri Vineet Manaktala has also been designated as Whole-Time Director & Chief Executive Officer and Chief Financial Officer respectively, w.e.f. 07.12.2022 subject to approval of shareholders at the ensuing general meeting.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;
2. 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;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the annual accounts on a going concern basis;
5. Company being unlisted sub clause (e) of section 134(3) is not applicable and
6. 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.

### **AUDITORS AND THEIR REPORT.**

Pursuant to Section 139 of the Companies Act, 2013, the shareholders in the Annual General Meeting held on 02.07.2022 had appointed M/s. S.C. Kwatra & Co., Chartered Accountants (Firm Registration No. 004232N), as Auditors of the Company to hold office for five years from the conclusion of the 1<sup>st</sup> AGM till the conclusion of the 6<sup>th</sup> AGM to be held in the year 2027.

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 31.03.2023.

The Auditors have not reported any incidence of fraud.



## **LOANS, GUARANTEES AND INVESTMENTS**

The Company has not provided any loans, guarantees or made any investments during the year.

## **RELATED PARTY TRANSACTIONS**

The transactions entered with a related party during the year under review were on Arm's Length basis and in the ordinary course of business. The relevant information regarding related party transactions has been set out in Note No.22 of the Financial Statements for the year 31.03.2023. In view of this, disclosure in Form AOC-2 is not required.

## **DIVIDEND**

During the financial year, the Board of directors has not proposed any dividend.

## **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.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

There is no information 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, technology absorption etc. and particulars of employees under Section 197(2) of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as the Company's production operations being under suspension during the year.

There were no foreign exchange earnings and outgo during the year under review.

## **RISK MANAGEMENT**

The Company does not have any Risk Management Policy as the elements of risk threatening the company's existence are very minimal.

## **CORPORATE SOCIAL RESPONSIBILITY**

Since the Company is not falling under any criteria specified in sub-section (1) of section 135 of the Companies Act, 2013, it is not required to constitute a Corporate Social Responsibility Committee.

## **DEPOSITS**

The company has not accepted any deposits during the year.

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## **SIGNIFICANT ORDERS**

No significant and material orders were passed by the regulators or courts or tribunals which affect the going concern status and future operation of the Company.

## **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no report-able material weaknesses in the design or operation were observed.

## **INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY**

Company does not have any Subsidiary, Joint venture or Associate Company.

## **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

As the Company has not declared any dividend so far provisions of Section 125 of the Companies Act, 2013 do not apply to it.

## **EXTRACT OF ANNUAL RETURN**

As there is no requirement to maintain a website, copy of the annual return is not uploaded and the same can be accessed by visiting its office during office hours by giving advance intimation.

## **SHARES**

### **a. BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

### **b. SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

### **c. BONUS SHARES**

No Bonus Shares were issued during the year under review.

### **d. EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees.

## **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:



None of the employee of your company is drawing remuneration in excess of the limits set out in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The provisions of Section 204 of the Companies Act, 2013 relating to Secretarial Audit Report and provisions of Section 177 of the Companies Act, 2013 relating to Audit Committee were not applicable on the company.

The provisions regarding vigil mechanism as provided in Section 177(9) of the Companies Act, 2013 read with rules framed there under are not applicable on the Company.

The Company does not require to maintain cost records as specified under Section 148(1) of the Companies Act, 2013.

The Company has not made any application, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) and therefore, the provisions under this Code are not applicable to it.

The Company has not applied for one time settlement at any time since its inception, and thus, the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions are not applicable to it.

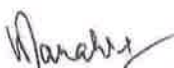
Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

#### ACKNOWLEDGEMENT

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

**For & on Behalf of the Board of Directors**

  
**Vineet Manaktala**  
DIN: 09145644  
(Director & CFO)

  
**Akshay Dhar**  
DIN: 01078392  
(Director & CEO)

**Place: New Delhi**

**Date: 23.05.2023**





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## **S.C. KWATRA & CO.**

**CHARTERED ACCOUNTANTS**

204, 303-A, SASCO BHAWAN, AZADPUR COMMERCIAL COMPLEX,

DELHI- 110 033 INDIA

PH.: 27676375, 27672646 FAX: 91-11-27676375

### **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF DCM SHRIRAM FINE CHEMICALS LIMITED**

#### **Report on the audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **DCM SHRIRAM FINE CHEMICALS LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year the ended March 31, 2023, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for opinion**

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

#### **Other Matters**

The audited financial statements of the Company for the period ended March 31, 2022, prepared in accordance with Ind AS included in these financial statements, have been audited by the predecessor auditor whose audit report dated 19 May 2022 expressed an unmodified opinion on those audited financial statements.



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### **Information other than the Financial Statements and Auditor's Report thereon**

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

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

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

### **Management's Responsibility for the Financial Statements.**

The Company's management and the Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income/(loss), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act and other accounting principles generally accepted in India. 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.

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

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

### **Auditor's Responsibility for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



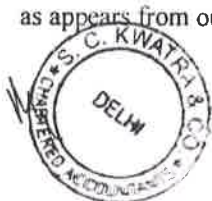
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operative effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. (A) As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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.



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- c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS Accounting Standards specified under section 133 of the Act.
- e) On the basis of written representation received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 over financial reporting of the Company and the reporting effectiveness of such controls, refer to our separate report in "Annexure B".

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

- i. The Company does not have any pending litigations 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 during the year ended March 31, 2023.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



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

(d) The company has not declared or paid or proposed any dividend for the year, and therefore, Rule 11(f) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

The Company has not paid any remuneration to any of its directors during the year, and therefore, section 197 of the Act related to the managerial remuneration is not applicable to the Company.



**For S.C. Kwatra & Co.**  
**Chartered Accountants**  
**Firm's Registration No.004232N**

*M. M. Kwatra*

**M. M. Kwatra**  
**Partner**

**(Membership No. 083756)**

**UDIN : 23083756BG RY SFE 409**

Place: New Delhi  
Date: May 23, 2023

*M. M. Kwatra*



## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of DCM Shriram Fine Chemicals Limited on the financial statements for the year ended March 31, 2023.

- (i) In respect of its Property, plant and equipment:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, plant and equipment.
- (b) The Company does not have intangibles.
- (c) The Property, plant and equipment were physically verified during the year by the Management. According to the information and explanations given to us, no discrepancies were noticed on such verification.
- (d) According to the information and explanations given to us and the records examined by us, we report that the lease agreement in respect of immovable property being leasehold land as disclosed in the financial statements of the Company, are yet to be executed, as per details as under:

Description of property	Gross Block as on March 31, 2023 (Rs. In Lakhs*)	Held in name of	Whether Promoter, Director or their Relative or employee	Period held	Reason for not held in the name of the company
Leasehold land at Dahej, Gujarat	2290.50	Refer note 30 of the financial statement	No	Dec, 2021	Refer note 30 of the financial statement

\* including land development expenditure.

- (e) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (f) As explained to us, no proceedings have been initiated against the Company during the year or are pending as at March 31, 2023 for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventories and hence, reporting under clause (ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Hence, reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investment in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.



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(iv) The Company has not given any loans or investment or provided any guarantee or security, and hence reporting under clause (iv) of the Order is not applicable.

(v) Based on our audit procedures and according to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The Company is yet to commence its business activities and therefore, reporting under clause (vi) of the Order relating to maintenance of cost records is not applicable.

(vii) According to the information and explanations given to us and the records of the Company examined by us, in respect of statutory dues, in our opinion:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, customs duty, excise duty, Value Added Tax, Cess and other material statutory dues as applicable to it with the appropriate authorities. Further, no undisputed statutory dues were outstanding as on March 31, 2023 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 as per the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) above which have not been deposited on account of any disputes as on March 31, 2023.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the income-tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) As per information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) To the best of our knowledge and belief, the Company has not availed any term loans during the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, the funds raised on short term basis have, prima facie, not been used for long term purposes of the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) and clause (ix)(f) of the Order is not applicable.

(x) (a) According to the information and explanations given to us, and to the best of our knowledge, the Company has not raised any money by way of initial public offer or further public offer (including instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.



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(b) According to the information and explanations given to us, and to the best of our knowledge, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally) and accordingly, clause (x)(b) of the Order is not applicable.

(xi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, and to the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

(xii) The Company is not a Nidhi Company and hence clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. (Refer Note 22)

(xiv) The Company is not required to have an internal audit system and hence, reporting under clause (xiv)(a) and (xiv)(b) is not applicable.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, the reporting under clause (xvi)(a) and (b) of the Order is not applicable. In our opinion, the Company is not a core investment company and there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016, and accordingly reporting under clause 3(xvi)(c) and (d) of the Order is not applicable.

(xvii) The Company has incurred cash loss of Rs. 33.51 lakhs during the year covered by our audit and cash loss of Rs. 25.59 lakhs in the immediately preceding financial year.

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

(xix) On the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists at the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we



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neither give any assurance that all liabilities falling due within a period of one year from the balance sheet date, would get discharged by the Company as and when they fall due.

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under section clause 3(xx) of the Order is not applicable for the year.



Place: Delhi  
Date: May 23, 2023

**For S.C. Kwatra & Co.  
Chartered Accountants  
Firm's Registration No.004232N**

A handwritten signature in black ink, appearing to read 'M. M. Kwatra'.

**M. M. Kwatra  
Partner  
(Membership No. 083756)  
UDIN: 23083756BGRYSF8409**



## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **DCM SHRIRAM FINE CHEMICALS LIMITED** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the 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 over financial reporting.



A handwritten signature in blue ink, appearing to be "S. C. Kwatra".



## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on 'criteria for internal control over financial reporting 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'.

Place: New Delhi  
Date: May 23, 2023



For S.C. Kwatra & Co.  
Chartered Accountants  
Firm's Registration No.004232N

M. M. Kwatra  
Partner  
(Membership No.-083756)

UDIN : 23083756 BGRYSF 8409



**DCM Shriram Fine Chemicals Limited**  
**Balance sheet as at March 31, 2023**

Particulars	Notes	As at	
		March 31, 2023	March 31, 2022
		Rs lakhs	Rs. lakhs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	2,416.82	2,036.29
Capital work in progress	4	-	1.17
<b>Financial Assets</b>			
(i) Other financial assets	5	0.90	-
Other non current assets	6	233.10	229.70
<b>Total non-current assets</b>		<b>2,650.82</b>	<b>2,267.16</b>
<b>Current assets</b>			
<b>Financial assets</b>			
(i) Cash and cash equivalents	7	1.61	1.71
(ii) Other financial Assets	8	-	0.50
Other current assets	9	0.06	-
<b>Total current assets</b>		<b>1.67</b>	<b>2.21</b>
<b>TOTAL ASSETS</b>		<b>2,652.49</b>	<b>2,269.37</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	10	2,000.00	1.00
Other equity	11	270.80	1,645.02
<b>Total equity</b>		<b>2,270.80</b>	<b>1,646.02</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	12	-	305.08
<b>Total non- current liabilities</b>		<b>-</b>	<b>305.08</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	13	305.08	305.07
(ii) Trade payables	14	-	-
- Total outstanding dues of micro and small enterprises		-	0.25
- Total outstanding dues of creditors other than micro and small enterprises		1.00	0.20
(iii) Other financial liabilities	15	75.33	-
Other current liabilities	16	0.28	12.75
<b>Total current liabilities</b>		<b>381.69</b>	<b>318.27</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,652.49</b>	<b>2,269.37</b>
Significant accounting policies	3		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For S.C. Kwatra & Co  
Chartered Accountants  
Firm's Registration No.:004232N

  
(M.M Kwatra)  
Partner  
Membership No. :083756



For and on behalf of the Board of Directors of  
DCM Shriram Fine Chemicals Limited

  
(Akshay Dhar)  
Whole Time Director  
DIN : 01078392

  
(Vineet Manaktala)  
Director  
DIN : 09145644



  
(Pawan Kumar Lakhota)  
Company Secretary

Place : New Delhi  
Date : 23 May 2023



**DCM Shriram Fine Chemicals Limited**  
**Statement of profit and loss for the year ended March 31, 2023**

Particulars	Notes	For the year ended	For the period
		March 31, 2023	ended March 31, 2022
		Rs. lakhs	Rs. lakhs
<b>Income</b>			
Revenue from operations		-	-
Other income		-	-
<b>Total Income</b>		-	-
<b>Expenses</b>			
Finance costs	17	12.14	0.06
Depreciation and amortisation expenses	18	1.34	0.02
Other expenses	19	21.37	25.54
<b>Total expenses</b>		<b>34.85</b>	<b>25.62</b>
<b>(Loss) before tax</b>		<b>(34.85)</b>	<b>(25.62)</b>
<b>Tax expense:</b>			
Current tax		-	-
Deferred tax (credit)/charge		-	-
<b>Loss for the period</b>		<b>(34.85)</b>	<b>(25.62)</b>
<b>Other comprehensive income/(expense), net of taxes</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period, net of taxes</b>		<b>(34.85)</b>	<b>(25.62)</b>
<b>Earnings/(loss) per equity share (face value Rs 2 per share)</b>			
- Basic /diluted	21	(0.05)	(51.23)
Significant accounting policies	3		

The accompanying notes form an integral part of the financial statements  
As per our report of even date attached

**For S.C. Kwatra & Co**  
**Chartered Accountants**  
Firm's Registration No.:004222

**(M.M Kwatra)**  
**Partner**  
Membership No. :083756



**For and on behalf of the Board of Directors of**  
**DCM Shriram Fine Chemicals Limited**

**Aishay Dhar**  
**(Akshay Dhar)**  
**Whole Time Director**  
DIN : 01078392

**(Vineet Manaktala)**  
**Director**  
DIN : 09145644

Place : New Delhi  
Date : 23 May 2023



**Pawan Kumar Lakhota**  
**Company Secretary**



**DCM Shriram Fine Chemicals Limited**  
**Statement of cash flows for the year ended March 31, 2023**

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	Rs. lakhs	Rs. lakhs
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) before tax	(34.85)	(25.62)
<b>Adjustments for:</b>		
Finance costs	12.14	0.06
Depreciation and amortisation expenses	1.34	0.02
<b>Operating loss before change in assets and liabilities</b>	<b>(21.37)</b>	<b>(25.54)</b>
<b>Change in assets and liabilities</b>		
(Increase)/decrease in financial assets	(0.40)	(0.50)
(Increase)/decrease in other assets	(3.46)	(229.70)
Increase/(decrease) in trade payables	0.55	0.45
Increase/(decrease) in other liabilities	(12.47)	12.74
<b>Cash generated from/(used in) operating activities post working capital changes</b>	<b>(37.15)</b>	<b>(242.55)</b>
Income tax paid (net)	-	-
<b>Net cash generated from/(used in) used in operating activities (A)</b>	<b>(37.15)</b>	<b>(242.55)</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on acquisition of items of property, plant and equipments	(305.37)	(1,409.31)
<b>Net cash used in investing activities (B)</b>	<b>(305.37)</b>	<b>(1,409.31)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Deferred Liability	(305.07)	-
Issue of Equity share capital	-	1.00
Advance against equity share capital (net) * #	659.63	1,670.64
Finance costs paid	(12.14)	(18.07)
<b>Net cash flow from financing activities (C)</b>	<b>342.42</b>	<b>1,653.57</b>
<b>Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(0.10)</b>	<b>1.71</b>
Cash and cash equivalents at the beginning of the period	1.71	-
<b>Cash and cash equivalents at the end of the period</b>	<b>1.61</b>	<b>1.71</b>
<b>Represented by :</b>		
Balance with bank	1.61	1.71
	<b>1.61</b>	<b>1.71</b>

Significant Accounting Policies-refer note 3

\* Includes Property, plant and equipment of Rs. Nil (March 31, 2022: Rs. 1274.29 lakhs) transferred by the holding company.

# Net of sale of equipments and furnitures to holding company of Rs. 2.41 lakhs during the year ended March 31, 2023 (March 31, 2022: Rs. Nil)

**Notes:**

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

As per our report of even date attached

**For S.C. Kwatra & Co**  
**Chartered Accountants**

Firm's Registration No.:004230

**(M.M Kwatra)**  
**Partner**

Membership No. :083756



**For and on behalf of the Board of Directors of**  
**DCM Shriram Fine Chemicals Limited**

**Akshay Dhar**  
**(Akshay Dhar)**  
**Whole Time Director**  
**DIN : 01078392**

**(Vineet Manaktala)**  
**Director**  
**DIN : 09145644**

**(Pawan Kumar Lakhota)**  
**Company Secretary**

Place: New Delhi  
 Date : 23 May 2023

**DCM Shriram Fine Chemicals Limited**  
**Statement of changes in equity for the year ended March 31, 2023**

**A Equity share capital**

Particulars	Rs. lakhs
At the beginning of the period	-
Addition during the period	1.00
<b>Balance as at March 31, 2022</b>	<b>1.00</b>
Addition during the period	1,999.00
<b>Closing Balance as at March 31, 2023</b>	<b>2,000.00</b>

**B Other equity**

Particulars	Rs. lakhs		
	Advance against Equity Share Capital	Retained Earnings	Total
At the beginning of the period	-	-	-
Addition during the period	1,670.64	-	1,670.64
(Loss) for the period	-	(25.62)	(25.62)
<b>Balance as at March 31, 2022</b>	<b>1,670.64</b>	<b>(25.62)</b>	<b>1,645.02</b>
Addition during the period (net)	659.63	-	659.63
Issuance of equity share capital	(1,999.00)	-	(1,999.00)
(Loss) for the period	-	(34.85)	(34.85)
<b>Balance as at March 31, 2023</b>	<b>331.27</b>	<b>(60.47)</b>	<b>270.80</b>

**Nature and purpose of reserve**

**-Retained earnings:** Retained earnings, when positive is a free reserve available to the company.

Significant Accounting Policies- refer note 3

The accompanying notes referred an integral part of the financial statements

As per our report of even date attached  
**For S.C. Kwatra & Co**  
**Chartered Accountants**  
 Firm's Registration No.:004232N

**For and on behalf of the Board of Directors of**  
**DCM Shriram Fine Chemicals Limited**

*M. M. Kwatra*



**(M.M Kwatra)**  
**Partner**  
 Membership No. :083756

*Akshay Dhar*

**(Akshay Dhar)**  
**Whole Time Director**  
 DIN : 01078392

*Vineet Manaktala*

**(Vineet Manaktala)**  
**Director**  
 DIN : 09145644

*Pawan Kumar Lakhota*  
**(Pawan Kumar Lakhota)**  
**Company Secretary**



**Place : New Delhi**  
**Date : 23 May 2023**



*[Handwritten signature]*

**DCM Shriram Fine Chemicals Limited**  
**Notes to the Financial Statements for the period ended March 31, 2023**

**1 Corporate Information**

DCM Shriram Fine Chemicals Limited (the “Company”) is a Public Limited Company incorporated on 29<sup>th</sup> September 2021 in India and having its registered office at Kanchenjunga Building, 6th Floor, 18, Barakhamba Road, New Delhi – 110001. It is a wholly owned subsidiary of DCM Shriram Industries Limited (Holding company). The main objects of the Company are production and sale of chemicals and their by-products and to undertake contract manufacturing of chemical products.

**2 Basis of preparation of financial statements**

**a) Statement of Compliance**

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

These Financial Statements of the Company for the year ended March 31, 2023, are approved by the Board of Directors on 23 May 2023.

**b) Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is also the Company’s functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

**c) Basis of measurement**

The financial statements have been prepared on an accrual basis and under the historical cost convention.

**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 critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes.

- Assessment of useful life of property, plant and equipment – notes 3(b)
- Estimated impairment of financial assets and non-financial assets – notes 3(e) & 3(j)

**3. Significant accounting policies**

**a) Operating Cycle**

Based on the nature of 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.



**DCM Shriram Fine Chemicals Limited**  
**Notes to the Financial Statements for the period ended March 31, 2023**

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

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

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

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

- It is expected to be settled in the company's normal operating cycle,
- It is held primarily for the purpose of being traded,
- It is due to be settled within 12 months after the reporting date, or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**b) Property, plant and equipment (PPE)**

**(i) Recognition and initial measurement**

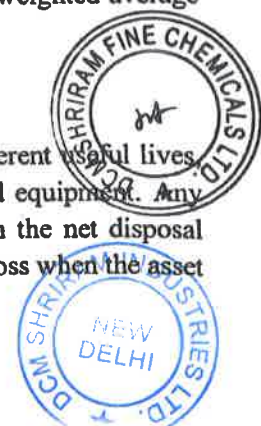
All items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation/ amortization and accumulated impairment losses, if any.

Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Capital work-in-progress is stated at cost, net of impairment loss, if any.

The cost of self-constructed property, plant and equipment includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition and location for their intended use, and the estimated cost of dismantling and removing the items and restoring the site on which they are located. Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

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

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**DCM Shriram Fine Chemicals Limited**  
**Notes to the Financial Statements for the period ended March 31, 2023**

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising on disposal of property, plant and equipment is recognized in the Statement of Profit and Loss. Incomes and expenses related to the incidental operations not necessary to bring the item to the location and the condition necessary for it to be capable of operating in the manner intended by Management are recognized in the Statement of profit and loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the 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 period end and adjusted prospectively, if appropriate.

**(ii) Subsequent expenditure**

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

**(iii) Depreciation**

Depreciation is provided on a pro-rata basis using the straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013. Assets costing up to Rs. 0.05 lakhs are fully depreciated in the period of purchase.

Freehold land and leasehold land are not depreciated.

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

**c) Revenue recognition**

**i. Sales of goods**

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

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



**DCM Shriram Fine Chemicals Limited**  
**Notes to the Financial Statements for the period ended March 31, 2023**

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.

**ii. Rendering of services**

Revenue from sale of services is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and is recognized in the Statement of Profit and Loss in proportion to the stage of completion of the transaction at the reporting date when the underlying services are performed.

**d) Income tax**

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

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

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

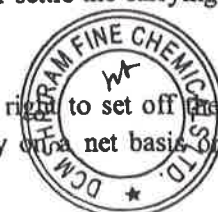
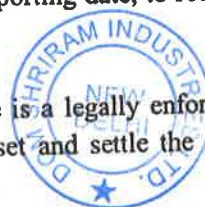
Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

- 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 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.



**DCM Shriram Fine Chemicals Limited**  
**Notes to the Financial Statements for the period ended March 31, 2023**

**e) Impairment of non-financial assets**

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

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.

**f) Provisions and contingent liabilities**

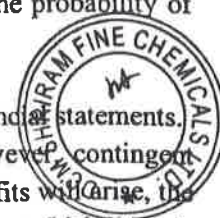
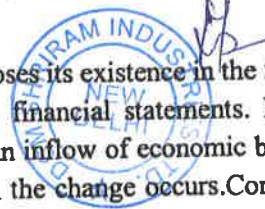
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

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

The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs. Contingent Liabilities in respect of show cause notices are considered only when converted into demands.





**DCM Shriram Fine Chemicals Limited**  
**Notes to the Financial Statements for the period ended March 31, 2023**

**g) 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.

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

**h) Leases**

Company as a lessee

The Company recognizes a Right-of Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets in accordance with Ind AS 116 'Leases'.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease income as and when due as per terms of agreements. The respective leased assets are included in the financial statements based on their nature.

**i) Earnings per share (EPS)**

Basic earnings / (loss) per share are calculated by dividing the net profit or loss for the period 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 period 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 period 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.

**j) Financial instruments**

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

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



**DCM Shriram Fine Chemicals Limited**  
**Notes to the Financial Statements for the period ended March 31, 2023**

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.

**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 Fair value through other comprehensive Income (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

**Financial liabilities**

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

**Offsetting**

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



**DCM Shriram Fine Chemicals Limited**  
**Notes to the Financial Statements for the period ended March 31, 2023**

**k) 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.

**l) Goods and Service tax input credit**

Goods and services tax input credit is recognised in the books of accounts in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits. [Also refer note no. 31]

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

1. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
2. When receivables and payables are stated with the amount of tax included The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**Recent Accounting Pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

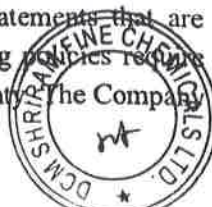
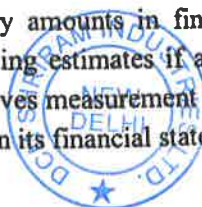
**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates.

Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



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

Particulars	Rs. lakhs						
	Leasehold Land *	Building	Vehicle	Office equipment	Furniture and fixtures	Total	Capital work-in-progress
<b>Gross carrying amount</b>							
Additions during the period ended March 31, 2022	2,034.18	-	-	1.07	1.06	2,036.31	1.17
Less: Disposals/Adjustments/Capitalised during the period	-	-	-	-	-	-	-
<b>Gross carrying amount as at March 31, 2022</b>	<b>2,034.18</b>	<b>-</b>	<b>-</b>	<b>1.07</b>	<b>1.06</b>	<b>2,036.31</b>	<b>1.17</b>
Additions during the year	256.32	127.02	0.42	0.08	-	383.84	382.17
Less: Disposals/Adjustments/Capitalised during the year	-	-	-	1.15	1.06	2.21	383.34
<b>Balance as at March 31, 2023</b>	<b>2,290.50</b>	<b>127.02</b>	<b>0.42</b>	<b>-</b>	<b>-</b>	<b>2,417.94</b>	<b>-</b>
<b>Accumulated depreciation</b>							
Depreciation expense for the period	-	-	-	0.02	#	0.02	-
Less: Disposals / adjustments during the period	-	-	-	-	-	-	-
<b>Balance as at 31st March 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.02</b>	<b>#</b>	<b>0.02</b>	<b>-</b>
Depreciation expense for the year	-	1.09	0.03	0.14	0.08	1.34	-
Less: Disposals / adjustments during the year	-	-	-	0.16	0.08	0.24	-
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>1.09</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>1.12</b>	<b>-</b>
<b>Net carrying amount</b>							
As at March 31, 2023	2,290.50	125.93	0.39	-	-	2,416.82	-
As at Mar 31, 2022	2,034.18	-	-	1.05	1.06	2,036.29	1.17

# Represents Rs.469

\* In respect of leasehold land, the lease deed is yet to be executed - Refer note no. 30

Notes:

- 1) For contractual commitments on capital account, refer note 23 (a).
- 2) Borrowing cost capitalised during the year Rs. 39.95 Lakhs (March 31, 2022: Rs.18.02 Lakhs) with a capitalisation rate of 10.50% p.a.
- 3) Leasehold land is in the nature of perpetual lease.
- 4) Capital work in progress ( CWIP) – Age-wise details are as under:

Capital Work In Progress	Amount in Capital Work In Progress for a year of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2023</b>					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at March 31, 2022</b>					
Projects in progress	1.17	-	-	-	1.17
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.17</b>



**DCM Shriram Fine Chemicals Limited**  
**Notes to financial statements for the year ended March 31, 2023**

5. Other financial Assets - non current (unsecured, considered good unless otherwise stated)	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Security deposit (To parties other than related parties)	0.90	-
<b>Total</b>	<b>0.90</b>	<b>-</b>

6. Other non current Assets (unsecured, considered good unless otherwise stated)	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Balances with government authorities (refer note 31)	233.10	229.70
<b>Total</b>	<b>233.10</b>	<b>229.70</b>

7. Cash and cash equivalents	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Balances with bank - On current account	1.61	1.71
<b>Total</b>	<b>1.61</b>	<b>1.71</b>

8. Other financial assets-Current (unsecured, considered good unless otherwise stated)	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Security deposit (To parties other than related parties)	-	0.50
<b>Total</b>	<b>-</b>	<b>0.50</b>

9. Other current assets (unsecured, considered good unless otherwise stated)	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
Others - Prepaid expenses	0.06	-
<b>Total</b>	<b>0.06</b>	<b>-</b>



# DCM Shriram Fine Chemicals Limited

## Notes to financial statements for the year ended March 31, 2023

10. Equity share capital	As at	As at
	March 31, 2023	March 31, 2022
	Rs. lakhs	Rs. lakhs
<b>Authorised</b>		
12,50,00,000 (March 31, 2022: 12,50,00,000) equity shares of Rs. 2 each	2,500.00	2,500.00
	<u>2,500.00</u>	<u>2,500.00</u>
<b>Issued subscribed and fully paid up</b>		
10,00,00,000 (March 31, 2022: 50,000) equity shares of Rs. 2 each fully paid up	2,000.00	1.00
	<u>2,000.00</u>	<u>1.00</u>

### a) Terms, rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the equity shares held by the shareholder.

### b) Issue of shares for other than cash

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

c) 100% of the shareholding is held by the promoter, DCM Shriram Industries Limited, the holding company as at March 31, 2023 and March 31, 2022. These include 6 equity shares held by other equity shareholders as nominee on behalf of the DCM Shriram Industries Limited, the holding company.

### d) Reconciliation of Shares outstanding at the beginning and at the end of reporting period:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount Rs. lakhs	Number of Shares	Amount Rs. lakhs
<b>Equity Shares</b>				
At the commencement of the year	50,000	1.00	-	-
Add: Shares issued during the year *	9,99,50,000	1,999.00	50,000	1.00
At the end of the year	10,00,00,000	2,000.00	50,000	1.00

\*Refer note no. 32



**DCM Shriram Fine Chemicals Limited**  
**Notes to financial statements for the year ended March 31, 2023**

11. Other equity	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>(a) Advance against equity share Capital from DCM Shriram Industries Limited, the holding company</b>		
Balance as at the beginning of the year	1,670.64	-
Addition during the year (net)	659.63	1,670.64
Less: Issuance of equity share capital during the year	<u>(1,999.00)</u>	<u>-</u>
Balance at the end of the year	<u>331.27</u>	<u>1,670.64</u>
<b>(b) Retained earnings</b>		
Balance as at the beginning of the year	(25.62)	-
Less: Loss for the year	<u>(34.85)</u>	<u>(25.62)</u>
Balance at the end of the year	<u>(60.47)</u>	<u>(25.62)</u>
<b>Total</b>	<u>270.80</u>	<u>1,645.02</u>

12: Borrowings-Non current	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>From parties other than related Parties</b>		
<b>Secured</b>		
Deferred payment liability*	<u>305.08</u>	<u>610.15</u>
	<u>305.08</u>	<u>610.15</u>
Less: Current maturity of deferred payment liability	<u>305.08</u>	<u>305.07</u>
<b>Total</b>	<u>-</u>	<u>305.08</u>

\* Deferred payment liability pertains to amount payable to Gujarat Industrial Development Corporation (GIDC) against the land leases from them. The amount carries interest @ 10.50% p.a, and is payable in 4 quarterly installments. The possession of the land allotted by 'GIDC' has been taken and the lease deed will be executed once the entire payment is completed and therefore, the deferred payment liability in respect of instalments is classified as Secured against the leasehold land. (Refer note 4).

13: Borrowings-Current	As at March 31, 2023 Rs. lakhs	As at March 31, 2022 Rs. lakhs
<b>From parties other than related Parties</b>		
<b>Secured</b>		
Current maturities of long term borrowings (refer note 12)	<u>305.08</u>	<u>305.07</u>
	<u>305.08</u>	<u>305.07</u>



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**DCM Shriram Fine Chemicals Limited**  
**Notes to financial statements for the year ended March 31, 2023**

14. Trade payables *	As at March 31, 2023	As at March 31, 2022
	Rs. lakhs	Rs. lakhs
Total outstanding dues of Micro and Small Enterprises	-	0.25
Total outstanding dues of creditors other than Micro and Small Enterprises	1.00	0.20
	<u>1.00</u>	<u>0.45</u>

\* Refer note no. 33

-Ageing of trade payables is as under

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2023</b>					
MSME	-	-	-	-	-
Others	1.00	-	-	-	1.00
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.00</b>
<b>As at March 31, 2022</b>					
MSME	0.25	-	-	-	0.25
Others	0.20	-	-	-	0.20
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>0.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.45</b>

15. Other financial liabilities - current	As at March 31, 2023	As at March 31, 2022
	Rs. lakhs	Rs. lakhs
Creditors for capital purchases	75.33	-
<b>Total</b>	<u>75.33</u>	<u>-</u>

16. Other current liabilities	As at March 31, 2023	As at March 31, 2022
	Rs. lakhs	Rs. lakhs
Statutory dues	0.28	12.75
<b>Total</b>	<u>0.28</u>	<u>12.75</u>



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**DCM Shriram Fine Chemicals Limited**  
**Notes to financial statements for the year ended March 31, 2023**

17. Finance costs	For the year ended March 31, 2023	For the period ended March 31, 2022
	Rs. lakhs	Rs. lakhs
Interest on deferred payment liability	12.10	-
Other borrowing costs - Bank charges	0.04	0.06
	<b>12.14</b>	<b>0.06</b>

18. Depreciation and amortisation expenses	For the year ended March 31, 2023	For the period ended March 31, 2022
	Rs. lakhs	Rs. lakhs
Depreciation on property, plant and equipment	1.34	0.02
	<b>1.34</b>	<b>0.02</b>

19. Other expenses	For the year ended March 31, 2023	For the period ended March 31, 2022
	Rs. lakhs	Rs. lakhs
Repair and maintenance	0.27	0.04
Legal and professional charges	11.19	0.21
Payment to auditors	0.85	0.25
- Statutory audit fee	0.15	-
- Verification of statements and other records	0.42	23.76
Rates and taxes	1.71	0.67
Rent office	5.65	0.45
Travelling expenses	1.13	0.16
Miscellaneous expenses	<b>21.37</b>	<b>25.54</b>



# DCM Shriram Fine Chemicals Limited

## Notes to financial statements for the year ended March 31, 2023

### 20. Income tax

As the operations of the company are yet to commence, no current tax and deferred tax asset on losses has been recognised.

### 21. Earnings per share

Earning per share (EPS) is determined based on the net profit attributable to the shareholders before other comprehensive Income. Basic earning per share is computed using the weighted average number of equity shares outstanding during the year whereas Diluted Earning per share is computed using the weighted average number of common and dilutive equivalent shares except for the case where the result becomes anti-dilutive.

Particulars	UOM	For the year ended March 31, 2023	For the period ended March 31, 2022
(Loss) after tax attributable to the equity shareholders	Rs. lakhs	(34.85)	(25.62)
Weighted average number of equity shares outstanding	No.	6,65,78,545	50,000
Nominal Value per share	Rs.	2.00	2.00
<b>Basic and Diluted Earnings/(Loss) per share</b>	Rs.	<b>(0.05)</b>	<b>(51.23)</b>



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# DCM Shriram Fine Chemicals Limited

## Notes to financial statements for the year ended March 31, 2023

### 22. Disclosure of related party transactions

#### a) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

##### Holding Company

DCM Shriram Industries Limited

##### Fellow Subsidiaries

Daurala Foods & Beverages Private Limited

DCM Shriram International Limited

##### Associate of Holding Company

DCM Hyundai Limited

##### Key Management Personnel

Mr. Akshay Dhar, Director (w.e.f. 06.12.2022) and CEO (w.e.f. 07.12.2022)

Ms. Urvashi Tilak Dhar, Director (w.e.f. 06.12.2022)

Mr. Alok B. Shriram, Director (upto 06.12.2022)

Mr. Madhav B. Shriram, Director (upto 06.12.2022)

Mr. Vineet Manaktala, Director (since incorporation) and CFO (w.e.f. 07.12.2022)

Mr. Pawan Kumar Lakhota, Company Secretary (w.e.f. 19.05.2022)

#### b) Transactions during the year with related parties

Rs. lakhs

S. No.	Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
		Holding Company *	Holding Company *
1	Purchase of property, plant and equipment(including GST and net of TDS)	-	1,499.53
2	Payment by holding company on behalf of the company	1.79	25.82
3	Funds transferred from holding company	660.25	145.29
4	Equity shares issued to holding company	1,999.00	1.00
5	Sale of property, plant and equipment	2.41	-
	<b>Balances outstanding at the year end</b>		-
	Advances against equity share capital	331.27	1,670.64

\* All the monies transferred by the holding company and due to the holding company on purchase of property, plant and equipment and other payments on behalf of the company are appropriated towards advance against equity share capital, to be issued to the holding company.

### 23. Commitments and Contingencies

a) Capital commitments : Estimated amount of contracts remaining to be executed on capital account (net of advances) as at March 31, 2023 Rs. Nil (March 31, 2022 - Rs 336.04 lakhs).

Other commitments: There are other commitments in the 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.

#### b) Contingent liabilities

Claims against the company which are not acknowledged as debts as on March 31, 2023 - Rs. Nil (March 31, 2022 Rs. Nil)



# DCM Shriram Fine Chemicals Limited

## Notes to financial statements for the year ended March 31, 2023

### 24. Fair value Hierarchy

All financial instruments are carried at amortised cost. Details are as under :

Particulars	Carrying value	
	As at	As at
	March 31, 2023	March 31, 2022
	Rs lakhs	Rs lakhs
<b>Financial assets</b>		
<b>Non-Current</b>		
- Other financial assets	0.90	-
<b>Current</b>		
- Cash and Cash equivalents	1.61	1.71
- Other financial assets	-	0.50
<b>Total financial assets</b>	<u>2.51</u>	<u>2.21</u>
<b>Financial liabilities</b>		
<b>Non Current</b>		
- Borrowings	-	305.08
<b>Current</b>		
- Borrowings	305.08	305.07
- Trade payables	1.00	0.45
- Others	75.33	-
<b>Total financial liabilities</b>	<u>381.41</u>	<u>610.60</u>

a) The Management has assessed that cash and cash equivalents, trade payables, other current financial assets and financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) The carrying amount of financial assets and financial liabilities carried at amortized cost is considered a reasonable approximation of fair value.



# DCM Shriram Fine Chemicals Limited

## Notes to financial statements for the year ended March 31, 2023

### 25. Financial Risk Management Objectives and Policies

The Company's financial risk management is carried out under policies approved by the board of directors. The Company is exposed to credit risk and liquidity risk.

The Company's financial liabilities are comprised of trade payables, other payables, security deposits received, deferred payment liabilities and capital creditors. The company's financial assets comprises of cash and cash equivalents and security deposits.

#### (A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company has not commenced operations and at present is not exposed to credit risk from its operating activities and from its financing activities, including deposits with banks.

The company does not have trade receivables as on March 31, 2023 and March 31, 2022. Credit risk on cash and cash equivalents is limited as the company transacts with bank with high credit ratings. Other financial assets do not have any significant credit risk.

#### (B) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The company has adequate sources of financing including advance towards equity capital from the holding company.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Carrying amount	0 - 1 year	1 to 5 years	More than 5 years	Rs. lakhs Total
<b>As at March 31, 2023</b>					
Trade Payables	1.00	1.00	-	-	1.00
Borrowings	305.08	305.08	-	-	305.08
Others	75.33	75.33	-	-	75.33
	<b>381.41</b>	<b>381.41</b>	<b>-</b>	<b>-</b>	<b>381.41</b>
<b>As at March 31, 2022</b>					
Trade Payables	0.45	0.45	-	-	0.45
Borrowings	610.15	305.07	305.08	-	610.15
	<b>610.60</b>	<b>305.52</b>	<b>305.08</b>	<b>-</b>	<b>610.60</b>

#### Interest rate risk

The deferred payment liabilities of the Company are at a fixed rate of interest and therefore, there is no interest rate risk.



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# DCM Shriram Fine Chemicals Limited

## Notes to financial statements for the year ended March 31, 2023

### 26. Capital management

i) For the purpose of Company's capital management, capital includes Issued equity capital, advance against equity share capital and all other equity reserves attributable to the equity holders of the parent company.

ii) The primary objective of the Company's capital management is to maximise the shareholder value and also ensure ability to continue as a going concern. In order to maintain the optimal balance of Debt and Capital, the Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions.

iii) The Company monitors Capital & Debt balance using Capital Gearing ratio, which is net debt divided by total equity.

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Rs lakhs	Rs lakhs
Deferred payment liabilities ( Refer note 12)	305.08	610.15
Less: Cash and Cash Equivalents (Refer note 7)	1.61	1.71
<b>Adjusted net debt (A)</b>	<b>303.47</b>	<b>608.44</b>
<b>Total equity (B)</b>	<b>2,270.80</b>	<b>1,646.02</b>
<b>Adjusted net debt to total equity ratio (A/B)</b>	<b>13.36%</b>	<b>36.96%</b>



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**DCM Shriram Fine Chemicals Limited**  
**Notes to financial statements for the year ended March 31, 2023**

**27. Ratios**

Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Variance
Current Ratio	Current assets	Current liabilities	0.00	0.01	-37% #
Debt-Equity ratio	Total Debt*	Shareholders Equity	0.13	0.37	-64% @

\*represents deferred payment liabilities.

# Decreased due to higher capital creditors.

@ Decreased due to increase in shareholders equity and decrease in deferred payment liability.

The company is yet to commence its operations and has no earnings during the period ended March 31, 2023. As such, other ratios i.e Debt service coverage ratio, Return on equity, Trade receivables turnover ratio, Trade payables turnover ratio, Net capital turnover ratio, Net profit ratio, Return on capital employed and Return on investment are not applicable.

28. In view of the management, the current assets have a value on realization 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, 2023 and March 31, 2022.

29. Since the company has not yet started operations, segment reporting in accordance with Ind AS 108 – "Operating Segments" is not applicable.

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

Rs. lakhs					
Particulars	Amount as on March 31, 2023	Amount as on March 31, 2022	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since	Reason for not being held in the name of the company
<b>Leasehold Land</b>					
Leasehold land at Dahej, Gujarat *	2,290.50	2,034.18	No	Dec-21	The execution of lease deed in respect of 80,980.266 square meters of leasehold land allotted to the Company is pending. As per Form of Agreement (FOA) with GIDC, the lease deed will be executed once the entire payment is completed.

\* including land development expenditure.

31. The company has availed but not utilized, input credit of Goods and Services Tax (GST) amounting to Rs. 229.02 lakhs being paid on transfer of leasehold rights in respect of the leasehold land at Dahej, Gujarat by the holding company, DCM Shriram Industries Limited, on the basis of legal advice that the company has a good case for availing the credit. The management is confident that the said GST input credit would be allowed to be utilized once the Company starts commercial activities and is liable to pay GST on its products.

32. During the year, Company has allotted 9,99,50,000 equity shares to holding company against the advance received against equity share capital. The remaining advance of Rs. 331.27 lakhs will also be appropriated towards issue of equity share capital.

33. Parties covered under "The Micro, Small and Medium Enterprise Development Act, 2006" (MSMED Act, 2006) have been identified on the basis of confirmation received. The disclosures pursuant to the said MSME Act are as follows:

Particulars	(Rs. Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year.		
- Principal amount	-	0.25
-Interest due thereon	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



34. The Company has completed land development activities and is evaluating for a set of organic/ inorganic chemicals which are in line with the Holding Company's technical capabilities and assessing their market potential.

35. Additional Regulatory Information:

- i) The Company does not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- ii) The Company does not have any transactions with struck off companies.
- iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

36. The company was incorporated on September 29, 2021, the previous period presented are for a period from September 29, 2021 to March 31, 2022 Previous year figures have been regrouped/rearranged wherever necessary.

As per our report of even date attached  
For S.C. Kwatra & Co  
Chartered Accountants  
Firm's Registration No.:004232N



(M.M Kwatra)  
Partner  
Membership No. :083756



For and on behalf of the Board of Directors of  
DCM Shriram Fine Chemicals Limited



(Akshay Dhar)  
Whole Time Director  
DIN : 01078392



(Vineet Manaktala)  
Director  
DIN : 09145644



(Pawan Kumar Lakhota)  
Company Secretary



Place: New Delhi  
Date : 23 May 2023





**DCM SHRIRAM**  
**INTERNATIONAL LIMITED**

**ANNUAL REPORT 2022-23**



# DCM SHRIRAM INTERNATIONAL LIMITED



(a wholly owned subsidiary of DCM Shriram Industries Limited)

6<sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001, INDIA

## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that 1st Annual General Meeting of the Company will be held on Saturday, the 15<sup>th</sup> July, 2023 at 12:30 P.M. at the registered office of the Company, situated at 6<sup>th</sup> floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001 to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the period ended 31<sup>st</sup> March, 2023 and the reports of the Board of Directors and Auditors thereon.
2. To appoint Shri Alok B. Shriram (DIN: 00203808), subscriber to the Memorandum of Association & Articles of Association and named as first director of the Company, who holds office till the ensuing AGM and being eligible, offer himself to be appointed as a director liable to retire by rotation.
3. To appoint Ms. Kanika Shriram (DIN: 00998758), subscriber to the Memorandum of Association & Articles of Association and named as first director of the Company, who holds office till the ensuing AGM and being eligible, offer himself to be appointed as a director liable to retire by rotation.
4. To appoint Shri Rudra Shriram (DIN: 08617576), subscriber to the Memorandum of Association & Articles of Association and named as first director of the Company, who holds office till the ensuing AGM and being eligible, offer himself to be appointed as a director liable to retire by rotation.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139, 141 and 142 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, made thereunder and other applicable provisions of the Companies Act, 2013, (including statutory modification(s) or re-enactment thereof for the time being in force), if any, M/s B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248 W/W-100022), Gurugram, who have confirmed their eligibility, be and are hereby appointed as Auditors of the Company, for a period of five years to hold



office from the conclusion of 1st Annual General Meeting till the conclusion of the 6th Annual General Meeting of the Company to be held in the year 2028.


Resolved also that the Board of Directors be and is hereby authorised to decide the remuneration of the Statutory Auditors.

RESOLVED FURTHER THAT Shri Alok B. Shriram, Director of the Company, be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, and things to give effect to the resolution."

By order of the Board  
For DCM SHRIRAM INTERNATIONAL LIMITED

New Delhi  
23<sup>rd</sup> May, 2023



  
(Ashish Jha)  
Company Secretary  
FCS 11326

Notes:

1. 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 instrument of the proxy, in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A proxy form is annexed to this report.
2. Corporate member intending to send its authorised representative to attend the Meeting is requested to send to the Company a certified copy of the Board Resolution authorising its representative to attend and vote on its behalf at the Meeting.
3. The Register of Directors and their Shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the meeting.



# DCM SHRIRAM INTERNATIONAL LIMITED

(a wholly owned subsidiary of DCM Shriram Industries Limited)

6<sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001, INDIA



## DIRECTORS' REPORT

To  
The Members of  
**DCM SHRIRAM INTERNATIONAL LIMITED**

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of your Company for the period 07<sup>th</sup> September, 2022 to 31<sup>st</sup> March, 2023 together with the Report of the Auditors and the Board of Directors thereon.

## FINANCIAL HIGHLIGHTS

### STATE OF COMPANY'S AFFAIRS

The Company was incorporated on 07.09.2022 and has not started any operation during the period ended 31.03.2023.

### CHANGE IN NATURE OF BUSINESS

Not applicable as the Company is yet to commence business.

### BOARD MEETINGS AND DIRECTORS

#### **MEETINGS OF THE BOARD**

During the Financial Year 2022-23, the Company held three meetings of the Board of Directors.

#### **CHANGES IN DIRECTORS OR KMP**

The Board in its meeting held on 28.09.2022 had appointed Mr. Ashish Jha as Company's Company Secretary. There has been no other change in the Board or KMP during the year.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;
2. 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;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
  4. The Directors had prepared the annual accounts on a going concern basis;
  5. Company being unlisted sub clause (e) of section 134(3) is not applicable and
  6. 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.

### **AUDITORS AND THEIR REPORT.**

The Auditors, M/s Ashish Pandey & Associates, Chartered Accountants (Registration No: 022012C), Ghaziabad was appointed as statutory auditors under Section 139(6) of the Companies Act, 2013 to hold office till the conclusion of First Annual General Meeting.

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 31.03.2023.

The Auditors have not reported any incidence of fraud.

### **APPOINTMENT OF STATUTORY AUDITORS**

Pursuant to Section 139 of the Companies Act, 2013, the Board has decided to recommend the appointment of M/s B S R & Co. LLP, Gurugram (Regn.No.101248 W/W-100022) as Statutory Auditors of the Company for a term of 5 years to hold office from the conclusion of 1st Annual General Meeting till the conclusion of 6th Annual General Meeting of the Company in the year 2028.

M/s. B S R & Co. LLP has confirmed that they were not disqualified to be appointed as Statutory Auditor of the Company as required under Section 141 of the Companies Act, 2013.

### **LOANS, GUARANTEES AND INVESTMENTS**

The Company has not provided any loans, guarantees or made any investments during the year.

### **RELATED PARTY TRANSACTIONS**

The transactions entered into with a related party during the year under review were on Arm's Length basis and in the ordinary course of business. The relevant information regarding related party transactions has been set out in Note No 13 of



the Financial Statements for the year 31.03.2023. In view of this, disclosure in Form AOC-2 is not required.

### **DIVIDEND**

During the financial year, the Board of directors has not proposed any dividend.

### **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.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

There is no information 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, technology absorption etc. and particulars of employees under Section 197(2) of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as the Company has not commenced business.

There were no foreign exchange earnings and outgo during the year under review.

### **RISK MANAGEMENT**

The Company does not have any Risk Management Policy as the Company has not commenced business.

### **CORPORATE SOCIAL RESPONSIBILITY**

Since the Company is not falling under any criteria specified in sub-section (1) of section 135 of the Companies Act, 2013, it is not required to constitute a Corporate Social Responsibility Committee.

### **CAPITAL STRUCTURE**

There is no change in the authorized and paid-up share capital of the company during the year.

### **DEPOSITS**

The company has not accepted any deposits during the year.

### **SIGNIFICANT ORDERS**

No significant material orders were passed by the regulators or courts or tribunals which affect the going concern status and future operation of the Company.



## INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

## INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Company does not have any Subsidiary, Joint venture or Associate Company.

## TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Not Applicable.

## EXTRACT OF ANNUAL RETURN

This being Company's first Annual General Meeting, Not Applicable.

## SHARES

### a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

### b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

### c. BONUS SHARES

No Bonus Shares were issued during the year under review.

### d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

## GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

None of the employee of your Company is drawing remuneration in excess of the limits set out in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Company presently has a paid-up capital of Rs. 1 lakh only and as such there is no mandatory requirement of having a Whole-Time Company Secretary as per Section 203 of the Companies Act, 2013. Since, several steps are to be taken for



increase in authorized capital and further issue and allotment of capital. In view of the same and to comply with various requirements of the Companies Act, 2013, the company had appointed Mr. Ashish Jha as Company Secretary of the Company.

The provisions of Section 204 of the Companies Act, 2013 relating to Secretarial Audit Report and provisions of Section 177 of the Companies Act, 2013 relating to Audit Committee were not applicable to the Company.

The provisions regarding vigil mechanism as provided in Section 177(9) of the Companies Act, 2013 read with rules framed there under are not applicable to the Company.

The Company does not require to maintain cost records as specified under Section 148(1) of the Companies Act, 2013.

The Company has not made any application, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) and therefore, the provisions under this Code are not applicable to it.

The Company has not applied for one time settlement at any time since its inception, and thus, the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions are not applicable to it.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

### **ACKNOWLEDGEMENT**

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

**For & on Behalf of the Board of Directors**



**Kanika Shriram**  
DIN: 00998758  
(Director)



**Alok B. Shriram**  
DIN: 00203808  
(Director)

**Place: New Delhi**

**Date: 23.05.2023**







# ASHISH PANDEY & ASSOCIATES CHARTERED ACCOUNTANTS

H.O : 3330, Third Floor, Angel Mega Mall, Kaushambi, Ghaziabad-201010 (U.P.)

B.O : 55, Panchkuian Road, Connaught Place, New Delhi - 110001

Contact : +91-9999613933, +91-7048989689, 0120-4350494

Email : ashish.apassociates@gmail.com | ashish1285@gmail.com

Website : ashishpandeyassociates.com

## Independent Auditor's Report

To the Members of DCM Shriram International Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **DCM SHRIRAM INTERNATIONAL LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our audit period, there are no reportable key audit matters.



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### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibilities for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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A handwritten signature in blue ink, appearing to be "S. S.", located between the two stamps.



- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Contd.



## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received\* from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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, as amended 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 financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries:



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- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Ashish Pandey & Associates**  
Chartered Accountants  
(Firm's Registration No. 022012C)

Ashish Pandey  
Proprietor

(Membership No. 411690)

UDIN: 23411690BGRYXC3808

Place : DELHI

Date : 23.05.2023

Contd.



*[Handwritten signature]*

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of DCM Shriram International Limited of even date)**

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

We have audited the internal financial controls over financial reporting of **DCM SHRIRAM INTERNATIONAL LIMITED** (the "Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 over financial reporting.



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## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal financial control over financial reporting 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 ICAI.

## For ASHISH PANDEY & ASSOCIATES

Chartered Accountants

(Firm's Registration No.022012C)



Ashish Pandey  
Proprietor

(Membership No 411690)

UDIN : 23411690BGR4XC3B08



Place : DELHI

Date : 23.05.2023

Contd.

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of DCM Shriram International Limited of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Company does not have any immovable property, hence reporting under clause 3(i)(c) of Order is not applicable.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
  - (b) The Company has not been sanctioned working capital limits in excess of ₹5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
  - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
  - (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
  - (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.



*AS*



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- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. Based on Company's turnover it is not falls under Cost records maintenance category, hence reporting under clause 3(vi) of the Order is not applicable
- vii. In respect of statutory dues:
  - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
  - (b) There were no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
  - (a) Company has not defaulted in repayment of loans or other borrowings from any lender.
  - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
  - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

Contd.



- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements




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- xx. and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xxi. The provision of section 135 is not applicable to the Company, hence reporting under clause 3(xx)(a) and (b) of the Order is not applicable.

**For Ashish Pandey & Associates**  
Chartered Accountants  
(Firm's Registration No.022012C)

  
Ashish Pandey  
Proprietor  
(Membership No. 411690)  
UDIN: 23411690B6R4XC3808



Place : DELHI  
Date : 23.05.2023

**DCM Shriram International Limited**  
**Balance Sheet as at March 31, 2023**

(₹ in "00")

Particulars	Notes	As at Mar 31, 2023
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment		-
Intangible asset		-
Capital work in progress		-
Financial assets		
(i) Other financial assets	4	100.00
Other non-current assets		-
<b>Total non-current assets</b>		<u>100.00</u>
<b>Current assets</b>		
Financial assets		
(i) Cash and cash equivalents	5	785.67
Other current assets		-
<b>Total current assets</b>		<u>785.67</u>
<b>TOTAL ASSETS</b>		<u><u>885.67</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	6	1,000.00
Other equity	7	(264.33)
<b>Total equity</b>		<u>735.67</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
(i) Borrowings		-
Other non-current liabilities		-
<b>Total non-current liabilities</b>		<u>-</u>
<b>Current liabilities</b>		
Financial liabilities		
(i) Borrowings		-
(ii) Trade payables		-
- Total outstanding dues of Micro and Small Enterprises		-
- Total outstanding dues of creditors other than Micro and Small enterprises		-
Other current liabilities	8	150.00
<b>Total current liabilities</b>		<u>150.00</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>885.67</u></u>

Significant accounting policies

3

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

As per our report of even date attached

**For Ashish Pandey & Associates**

Chartered Accountants

Firm's Registration No.:022012C



Ashish Pandey

Proprietor

Membership Number :411690

Place : New Delhi

Date : 23.05.2023

For & on behalf of the Board of Directors of

DCM Shriram International Limited

*Kanika Shriram*

KANIKA SHRIRAM  
Director

DIN: 00998758

*Alok B. Shriram*

ALOK B. SHRIRAM  
Director

DIN: 00203808

*Ashish Jha*

ASHISH JHA

COMPANY SECRETARY



**DCM Shriram International Limited**  
**Statement of profit and Loss for the period ended March 31, 2023**

Particulars	Notes	(₹ in "00") For the period ended Mar 31, 2023
<b>Income</b>		
Revenue from operations		-
Other income		-
<b>Total Income</b>		<b>-</b>
<b>Expenses</b>		
Finance costs	9	57.82
Depreciation		-
Other expenses	10	547.43
<b>Total expenses</b>		<b>605.25</b>
<b>(Loss) before tax</b>		<b>(605.25)</b>
<b>Tax expense:</b>		
Current tax		-
Deferred tax (credit)/charge		-
<b>Loss for the period</b>		<b>(605.25)</b>
<b>Other comprehensive income/(expense), net of taxes</b>		<b>-</b>
<b>Total comprehensive loss for the period, net of taxes</b>		<b>(605.25)</b>
<b>Earnings/(loss) per share (face value Rs 2 per share)</b>		
- Basic /Diluted		(1.21)

Significant accounting policies

3

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

As per our report of even date attached

**For Ashish Pandey & Associates**

Chartered Accountants

Firm's Registration No.: 022012C

**Ashish Pandey**

Proprietor

Membership Number :411690

Place : New Delhi

Date : 23.05.2023



For and on behalf of the Board of Directors of  
**DCM Shriram International Limited**

*Kanika Shriram*

**KANIKA SHRIRAM**

**DIRECTOR**

**DIN: 00998758**

*Alok B. Shriram*

**ALOK B. SHRIRAM**

**DIRETOR**

**DIN: 00203808**

*Ashish Jha*

**ASHISH JHA**

**COMPANY SECRETARY**



**DCM Shriram International Limited**  
**Statement of cash flows for the period ended March 31, 2023**

(₹ in "00")

Particulars	For the period ended March 31, 2023
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>	
(Loss) before tax	(605.25)
<b>Adjustments for:</b>	
Finance costs	57.82
<b>Operating loss before change in assets and liabilities</b>	<b>(547.43)</b>
<b>Change in assets &amp; liabilities</b>	
(Increase)/decrease in other non current assets	(100.00)
Increase/(decrease) in other current liabilities	150.00
<b>Cash generated from /(used in) operating activities post working capital changes</b>	<b>50.00</b>
Income tax paid (net)	-
<b>Net cash generated from/(used in) used in operating activities (A)</b>	<b>(497.43)</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Capital expenditure on acquisition of items of property, plant and equipments	-
<b>Net cash used in investing activities (B)</b>	<b>-</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Issue of Equity share capital	1,000.00
Advance against capital	340.92
Finance costs paid	(57.82)
<b>Net cash flow from financing activities (C)</b>	<b>1,283.10</b>
Increase/(decrease) in cash and cash equivalents (A+B+C)	785.67
Cash and cash equivalents at the beginning of the period	-
<b>Cash and cash equivalents at the end of the period</b>	<b>785.67</b>
Represented by :	
Balance with bank	785.67
	<b>785.67</b>

**Notes:**

The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows".  
 As per our report of even date attached

**For Ashish Pandey & Associates**

Chartered Accountants

Firm's Registration No: 022012C



For and on behalf of the Board of Directors of

DCM Shriram International Limited

*Kanika Shriram*

**KANIKA SHRIRAM**  
Director

DIN: 00998758

*Alok B. Shriram*

**ALOK B. SHRIRAM**  
Director

DIN: 00203808

*Ashish Jha*

**ASHISH JHA**

**COMPANY SECRETARY**

Place: New Delhi

Date: 23.05.2023



# DCM Shriram International Limited

## Statement of changes in equity for the period ended March 31, 2023

(₹ in "00")

### A Equity share capital

Particulars	As	At
	Mar 31, 2023	
Addition during the period		1,000.00
Closing Balance as at March 31, 2023		1,000.00

### B Other equity

#### I. Retained earnings

Description	As	At
	Mar 31, 2023	
Reserves & Surplus - Retained earnings (Loss) for the period		(605.25)
Balance as at March 31, 2023		(605.25)

#### II. Advance against share capital

Description	Mar 31, 2023	
	Addition of advance against Capital	
Balance as at Apr 01, 2022		-
Addition during the period (net)		340.92
Issuance of share capital		-
Balance as at March 31, 2023		340.92

#### Nature and purpose of reserve

-Retained earnings: Retained earnings, when positive is a free reserve available to the company.

Significant Accounting Policies- refer note 3

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

#### For Ashish Pandey & Associates

Chartered Accountants

Firm's Registration No.:022012C

Ashish Pandey

Proprietor

Membership Number :411690

Place : New Delhi

Date : 23.05.2023

#### For & on behalf of the Board of Directors of

DCM Shriram International Limited

*Kanika Shriram*

KANIKA SHRIRAM  
Director

DIN: 00998758

*Alok B. Shriram*

ALOK B. SHRIRAM  
Director

DIN: 00203808

*Ashish Jha*  
ASHISH JHA  
COMPANY SECRETARY



**DCM Shriram International Limited**  
**Notes to the Financial Statements for the period ended March 31, 2023**

**1 Corporate Information**

DCM Shriram International Limited (the “Company”) is a Public Limited Company incorporated on 7<sup>th</sup> Sept 2022 in India and having its registered office at Kanchenjunga Building, 6th Floor, 18, Barakhamba Road, New Delhi – 110001. It is a wholly owned subsidiary of DCM Shriram Industries Limited (Holding company). To carry on the business of manufacturing, buying, selling, exchanging, converting, altering, importing, exporting, processing, twisting or otherwise handling or dealing in man made fibres including regenerated cellulose rayon, nylon and to sell, purchase, import, export of civil and defence related equipment, armoured vehicles, unmanned aerial vehicles and accessories of all specifications.

**2 Basis of preparation of financial statements**

**a) Statement of Compliance**

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

These Financial Statements of the Company for the period ended March 31, 2023, are approved by the Board of Directors on May , 2023.

**b) Basis of measurement**

The financial statements have been prepared on an accrual basis and under the historical cost convention.

**c) 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.

**3. I. Significant accounting policies**

**a) Operating Cycle**

Based on the nature of 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 (PPE)**

**(i) Recognition and measurement**

All items of property, plant and equipment are measured at cost, which includes capitalized borrowing





**DCM Shriram International Limited**  
**Notes to the Financial Statements for the period ended March 31, 2023**

costs, less accumulated depreciation/ amortization and accumulated impairment losses, if any.

Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Capital work-in-progress is stated at cost, net of impairment loss, if any.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition and location for their intended use, and the estimated cost of dismantling and removing the items and restoring the site on which they are located. Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

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

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising on disposal of property, plant and equipment is recognized in the Statement of Profit and Loss. Incomes and expenses related to the incidental operations not necessary to bring the item to the location and the condition necessary for it to be capable of operating in the manner intended by Management are recognized in the Statement of profit and loss.

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

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the 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 period end and adjusted prospectively, if appropriate.

**(ii) Subsequent expenditure**

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



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**DCM Shriram International Limited**  
**Notes to the Financial Statements for the period ended March 31, 2023**

**(iii) Depreciation**

Depreciation is provided on a pro-rata basis using the straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013. Assets costing up to Rs. 0.05 lakhs are fully depreciated in the period of purchase.

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

**c) Revenue recognition**

**i. Sales of goods**

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

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

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. 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.

**ii. Rendering of services**

Revenue from sale of services is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and is recognized in the Statement of Profit and Loss in proportion to the stage of completion of the transaction at the reporting date when the underlying services are performed. Job work is recognized upon full completion of the job work

**d) 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).



**DCM Shriram International Limited**  
**Notes to the Financial Statements for the period ended March 31, 2023**

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

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

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

- 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 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.

**e) 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.



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**DCM Shriram International Limited**

**Notes to the Financial Statements for the period ended March 31, 2023**

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

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

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

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

**f) 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.

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

**g) Leases**

Company as a lessee

The Company recognizes a Right-of Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets in accordance with Ind AS 116 'Leases'.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease income as and when due as per terms of agreements. The respective leased assets are included in the financial statements based on their nature.



MS



**h) Earnings per share (EPS)**

Basic earnings / (loss) per share are calculated by dividing the net profit or loss for the period 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 period 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 period 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.

**i) Financial instruments**

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

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.

**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 Fair value through other comprehensive Income (FVOCI)- debt instruments.



**DCM Shriram International Limited**  
**Notes to the Financial Statements for the period ended March 31, 2023**

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

**Financial liabilities**

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

**Offsetting**

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

**j) 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.

**k) Goods and Service tax input credit**

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

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

1. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
2. When receivables and payables are stated with the amount of tax included The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.



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## **II. Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

### **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

### **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



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**DCM Shriram International Limited**  
**Notes to financial Statements for the Period ended March 31, 2023**

(₹ in "00")

4. Other financial assets	As	at
	Mar 31, 2023	
Security Deposits		100.00
<b>Total</b>		<b>100.00</b>

5. Cash and cash equivalents	As	At
	Mar 31, 2023	
Balances with bank		
- Current account		785.67
Cash in hand		-
<b>Total</b>		<b>785.67</b>

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**DCM Shriram International Limited**  
**Notes to financial Statements for the Period ended March 31, 2023**

(₹ in "00")

6. Equity share capital	As	At
	Mar 31, 2023	
<b>Authorised</b>		
2,50,000 (March, 2022: 50,000) equity shares of Rs 2 each		5,000 00
		<u>5,000.00</u>
<b>Issued subscribed and fully paid up</b>		
50,000 (March, 2022: 50,000) equity shares of Rs 2 each fully paid up		1,000 00
		<u>1,000.00</u>

**a) Terms, rights, preferences and restrictions attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the equity shares held by the shareholder.

**b) Issue of shares for other than cash**

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

c) 100% of the shareholding is held by DCM Shriram Industries Limited, the holding company and the promoter

**Reconciliation of Shares outstanding at the beginning and at the end of reporting period:**

Particulars	As At March 31, 2023	
	Number of Shares	Amount
<b>Equity Shares</b>		
At the commencement of the Year	-	-
Add: Shares issued during the year	50,000	1,000
At the end of the Year	50,000	1,000

7. Other equity	As	At
	Mar 31, 2023	

**(a) Other Equity**

**Retained earnings**

Balance as at the beginning of the year

-Loss during the period

Balance at the end of the year

-

(605.25)

**(b) Advance against capital from DCM Shriram Industries Limited, the holding company**

Balance as at the beginning of the year

Additions during the year

Less: Issuance of equity share capital during the period

Balance at the end of the year

-

340 92

340.92

(264.33)



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**DCM Shriram International Limited**  
**Notes to financial Statements for the Period ended March 31, 2023**

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(₹ in "00")

**8. Other current liabilities**

Audit Fees Payable  
**Total**

As	At
<u>Mar 31, 2023</u>	<u>150.00</u>
	<u><b>150.00</b></u>



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# DCM Shriram International Limited

## Notes to financial Statements for the Period ended March 31, 2023

(₹ in "00")

<b>9. Finance costs</b>	<b>For the period ended Mar 31, 2023</b>
	<u>Rs.</u>
Bank Charges	57.82
	<u>57.82</u>
<b>10. Other expenses</b>	<b>For the period ended Mar 31, 2023</b>
	<u>Rs.</u>
Professional fees	156.51
Fee & Taxes	240.92
Payment to auditor	
-Audit Fee	150.00
	<u>547.43</u>



**DCM Shriram International Limited**  
**Notes to financial statements for the Period ended March 31, 2023**

(₹ in "00")

**11. Income tax**

As the operation of the company have yet to commence, no current tax and deferred tax asset on losses has been recognised

**12. Earnings per share**

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive Income. Basic earning per share is computed using the weighted average number of equity shares outstanding during the year whereas Diluted Earning per share is computed using the weighted average number of common and dilutive equivalent shares except for the case where the result becomes anti-dilutive.

**For the period ended  
March 31, 2023**

(Loss) after tax attributable to the equity holders	-605.25
Weighted average number of equity shares outstanding during the year (No.)	50,000
Nominal Value per share (Rs.)	2.00
<b>Basic and Diluted Earnings/(Loss) per share</b>	<b>(1.21)</b>



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# DCM Shriram International Limited

## Notes to financial statements for the Period ended March 31, 2023

(₹ in "00")

### 13. Disclosure of related party transactions

#### a) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

##### Holding Company

DCM Shriram Industries Limited

##### Key Management Personnel

Mr. Alok B. Shriram, Director (w.e.f. 07.09.2022)

Ms. Kanika Shriram, Director (w.e.f. 07.09.2022)

Mr. Rudra Shriram, Director (w.e.f. 07.09.2022)

Mr. Ashish Jha, Company Secretary (w.e.f. 28.09.2022)

#### b) Transactions during the year with related parties

S. No.	Particulars	For the period ended March 31, 2023 (₹ in "00")
		Holding Company
1	Payment on behalf of the company	340.92
	<b>Balances with Related Parties</b>	
	Other current liabilities	340.92

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

### 14. Commitments and Contingencies

#### a) Capital commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) as at March 31, 2023 - Nil

#### b) Contingent liabilities

There are no claims against the company which are not acknowledged as debt as on March 31, 2023



**DCM Shriram International Limited**  
**Notes to financial statements for the Period ended March 31, 2023**

(₹ in "00")

**15. Capital management**

- i) For the purpose of Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent.
- ii) The primary objective of the Company's capital management is to maximise the shareholder value and also ensure ability to continue as a going concern. In order to maintain the optimal balance of Debt and Capital, the Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions.
- iii) The Company monitors Capital & Debt balance using Capital Gearing ratio, which is net debt divided by total equity.

Particulars	As	At
	March 31, 2023	
Borrowings		-
Less: Cash and Cash Equivalents (Refer note 5)		785.67
Adjusted net debt (A)		<u>(785.67)</u>
Total equity (B)		<u>735.67</u>
Adjusted net debt to total equity ratio (A/B)		NA



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# DCM Shriram International Limited

## Notes to financial statements for the Period ended March 31, 2023

(₹ in "00")

### 16. Fair value Hierarchy

As at March 31, 2023 all financial instruments are carried at amortised cost. Details are as under :

Particulars	Carrying value	
	As	At
	March 31, 2023	
<b>Financial Assets</b>		
<b>Non Current</b>		
Other financial assets		100
<b>Total</b>		<u>100</u>
<b>Financial liabilities</b>		
<b>Non Current</b>		
- Borrowings		-
<b>Current</b>		
- Borrowings		-
- Trade payables		-
<b>Total</b>		<u>-</u>

a) The Management has assessed that Deposits and Cash and Cash Equivalents approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) The Fair value of financial assets & liabilities are substantially same as their carrying amount.



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# DCM Shriram International Limited

## Notes to financial statements for the Period ended March 31, 2023

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### 17. Financial Risk Management Objectives and Policies

The Company's financial risk management is carried out under policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas, such as credit risk and investment of excess liquidity.

#### (A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company has not commenced operations and at present is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks.

#### **- Trade receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

The company does not have trade receivables as on March 31, 2023.

#### (B) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements.

The company does not have any financial liability as on March 31, 2023.



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**DCM Shriram International Limited**  
**Notes to financial statements for the Period ended March 31, 2023**

18 Ratios

Particulars	Numerator	Denominator	31st March 2023
Current Ratio	Current assets	Current liabilities	5.24

The company is yet to commence its operation and has no earnings during the period ended 31st March 2023. As such, other ratios i.e. Debt service coverage ratio, Debt equity ratio, Return on equity, Trade receivables turnover ratio, Trade payables turnover ratio, Net capital turnover ratio, Net profit ratio, Return on capital employed and Return on investment are not applicable.

19 As operations are yet to commence, segment reporting in accordance with Ind AS 108 – "Operating Segments" is not applicable.

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

Particulars	Amount as on March 31, 2023	Amount as on March 31, 2022	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since	Reason for not being held in the name of the company
--Nil--					

21. Additional Regulatory information

- i. The Company does not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- ii. The Company does not have any transactions with struck off companies.
- iii. The Company has not borrowed any money from bank or financial institutions which require charge creation.
- iv. The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- v. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to any person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
- vi. The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- viii. The Company has not been declared as a wilful defaulter by any banks or any other financial institution at any time during the financial year or after the end of the reporting period but before the date when the financial statements are approved.
- ix. The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).



Place: New Delhi  
Date: 23.05.2023

For and on behalf of the Board of Directors of  
DCM Shriram International Limited  
*Kanika Shriram*  
KANIKA SHRIRAM  
Director  
DIN: 00998758

*Alok B. Shriram*  
ALOK B. SHRIRAM  
Director  
DIN: 00203808

*Ashish Jha*

ASHISH JHA  
COMPANY SECRETARY



*VA*