

Deepak Industries Limited

Regd. & Corporate Office :
16, Hare Street, Kolkata 700 001
Phone : 033-2248-2391/92/93
Fax : 033 2248 9382
Website : www.dil-india.com
CIN No. L63022WB1954PLCO21638
email : secretary@dil-india.com

24/08/2019

The Calcutta Stock Exchange Limited
7, Lyons Range,
Kolkata-700 001

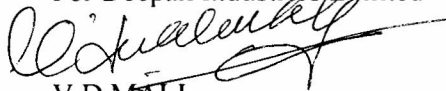
Dear Sirs,

Re: Annual report of the Company for the financial year 2018-19 pursuant to clause 34 of the SEBI(LODR), 2015 as amended.

Enclosed please find a copy of the Annual report with the copy of the 64th AGM Notice for the financial year 2018-19 despatch of which has commenced on 24/08/2019. The date of the AGM is 17th September, 2019.

Thanking you,

Yours faithfully,
For Deepak Industries Limited



V D MALL
Company Secretary

ANNUAL REPORT

&

ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2019

DEEPAK INDUSTRIES LIMITED

P. K. DAGA
Y. K. DAGA

CHAIRMAN-CUM-MANAGING DIRECTOR
VICE-CHAIRMAN-CUM-JOINT MANAGING DIRECTOR

S. CHAKRAVORTI
A. P. AGARWALLA
MEERA DOKANIA

DIRECTORS

V. D. MALL

COMPANY SECRETARY

LODHA & CO.
Chartered Accountants

AUDITORS

STATE BANK OF INDIA
UCO BANK

BANKERS

Maheshwari Datamatics Pvt.Ltd
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001
Phone : 033-2243-5809; 2243-5029
Fax : 033-2248-4787
E-mail : mdpldc@yahoo.com
Website : www.mdpl.in

REGISTRAR & SHARE TRANSFER AGENTS

DEEPAK INDUSTRIES LIMITED
CIN No. L63022WB1954PLC021638

CORPORATE DETAILS

Registered Office :
16, Hare Street, 2nd Floor
Kolkata - 700 001
Phone : 033-2248-2391/2/3
Fax : 033-2248-9382
Website : www.dil-india.com
E-mail : secretary@dil-india.com

DEEPAK INDUSTRIES LIMITED

CIN No.L63022WB1954PLC021638

Registered office: 16, Hare Street, Kolkata-700 001

www.dil-india.com Email: secretary@dil-india.com

Phone No.033-2248-2391/2/3 Fax No. 033-2243-9382

NOTICE

Notice is hereby given that 64th Annual General Meeting of the shareholders of the Deepak Industries Limited will be held at 16, Hare Street, 2nd Floor, Kolkata-700 001 on Tuesday, the 17th September, 2019 at 2.00P M to transact the following business:-

Ordinary Business:

1. To receive consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2019 and the statement of profit and loss for the year ended on that date together with the reports of the Board of Directors and Auditors of the Company thereon.
2. To declare dividend on Equity Shares for the year ended 31st March 2019.
3. To appoint a director in place of Shri Pradip Kumar Daga (Holding DIN No.00040692) who retires by rotation and being eligible offers himself for re-appointment.

Special Business:

4. To consider and if thought fit to pass the following resolution as an ordinary resolution:
"RESOLVED THAT pursuant to section 148(3) and all other provisions of the Companies Act, 2013 and read with rule 14 of the Companies (Audit and Auditors) Rules 2014, the remuneration of the Cost Auditors M/s. SPK Associates, Cost Accountants, Kolkata (Firm's Registration No. 000040) for conducting the audit of the cost records of the company for the year 2019-20 determined by the Board of Directors of the Company at Rs 50,000/- (apart from service tax including cess as applicable and out of pocket expenses) be and is hereby approved and ratified."
5. To consider and if thought fit to pass the following resolution as special resolution
"Resolved that pursuant to section 149 and other applicable provisions of the Companies Act, 2013 (including any statutory amendments or re-enactments thereof for the time being in force) and read with rules made there under and read with schedule IV of the Companies Act, 2013 and provisions of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended Shri Sujit Chakravorti, being more than 75 years of age and Independent Director (DIN No. 00066344) of the Company whose term of office as an Independent Director of

the Company is expiring on 30/09/2019 be and is hereby continued and re-appointed as Independent director for another term of five consecutive years from 01/10/2019 to 30/09/2024 and who shall not be liable to retirement by rotation"

6. To consider and if thought fit to pass the following resolution as special resolution
"Resolved that pursuant to section 149 and other applicable provisions of the Companies Act, 2013 (including any statutory amendments or re-enactments thereof for the time being in force) and read with rules made there under and read with schedule IV of the Companies Act, 2013 and provisions of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended Shri Anand Prasad Agarwalla, Independent Director (DIN No. 00312652) of the Company whose term of office as an Independent Director of the Company is expiring on 30/09/2019 be and is hereby re-appointed as Independent director for another term of five consecutive years from 01/10/2019 to 30/09/2024 and who shall not be liable to retirement by rotation."
7. To consider and if thought fit to pass the following resolution as special resolution
"RESOLVED THAT pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and including any statutory modification or re-enactment thereof for the time being in force, consent of the shareholders of the company, be and is hereby given that the Non-Executive Directors of the Company who are neither in whole-time employment of the Company nor Managing/Whole-time Director of the Company, be paid in addition to the sitting fees for attending the meetings of the Board or Committees thereof and reimbursement of expenses, a commission, at a rate not exceeding one percent of the net profits of the Company for any financial year, including the financial year 2018-19, subject however to such ceiling if any, as the Board may, from time to time fix within the aforesaid limit of 1% of the net profit, in that behalf for any year if the Board so decides, and the same to be divided amongst the Non Executive Directors in such manner as the Board

may determine ”

Resolved that the commission paid to the non-executive directors be and are hereby ratified by the shareholders.

“FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to take all actions and to do all such acts,

deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

Place: Kolkata
Date: 29/05/2019

By Order of the Board
V D MALL
Company Secretary

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A person holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person can not act a proxy for any person or shareholder.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- The Board of Directors of the Company in its meeting held on 29/05/2019 have recommended a dividend of Rs.10/- per equity share subject to approval of the shareholders and accordingly the shareholders are requested to approve the dividend resolution of Rs.10/- per equity share.
- The Register of Members and the Share Transfer books of the Company will remain closed from 11.09.2019 to 17.09.2019 (date of AGM) (both days inclusive) for annual closing and payment of dividend.
- Company has appointed M/S Maheshwari Data-matics Private Limited, 23, R N Mukherjee Road, 5th Floor, Kolkata – 700 001, as its Registrar and Transfer Agents (RTA) for both physical and demat segment of equity shares. Members are requested to send all their correspondence at the above address of RTA. For any communication, the shareholders may also send requests to email ids: mdpldc@yahoo.com and secretary@dil-india.com.
- Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send relevant share certificates to the above referred Registrar for doing the needful.
- Members holding physical share certificates are requested to get their shares demated by opening of a DP Account with a Depository Participant to facilitate corporate actions by the Company and also give a copy of the pan to the Registrar or the Company.
- Members are requested to notify change in address, if any, immediately to the above referred Registrar quoting their Folio numbers.
- To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- In terms of circulars issued by The Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of Permanent Account Number Card (PAN Card) to the company or its Registrars and Transfer Agents in cases of Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN Card for all the above mentioned transactions.
- Details under SEBI (LODR) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless

any member has requested for a physical copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report for 2017-2018 is being sent in the permitted mode.

13. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company are liable to be transferred to the Investor Education and Protection Fund (IEPF). Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members / Claimants are requested to claim their dividends from the Company within the stipulated timeline
14. Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 the company has uploaded details of unpaid and unclaimed dividend amounts lying with the Company as on 14th September, 2018 (the date of the last Annual General Meeting) on the website of the company www.dil-india.com and also on the website of the Ministry of corporate affairs.
15. Electronic copy of the Notice of the General Meetings of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent by the permitted mode.
16. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2018-19 is also be available on the Company's website www.dil-india.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
17. Documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 5.00 pm) on all working days except Saturdays upto and including the date of the Annual General Meeting of

the Company.

18. Institutional Members/Bodies Corporate (i.e, other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution /Attorney letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at secretary@dil-india.com with a copy marked to helpdesk.evoting@cdslindia.com on or before 16.09.2019 upto 5.00 p.m. without which the vote shall not be treated as valid.
19. The Company has appointed Shri Pravin Kumar Drolia, practising Company Secretary (Certificate of Practice No. 1362) as Scrutinizer for conducting the remote e-voting and voting process at the AGM in a fair and transparent manner.
20. The Company has connectivity with both NSDL and CDSL under **ISIN No INE485J01016**.

VOTING THROUGH ELECTRONIC MEANS

Pursuant to Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide its members the facility of "remote (e-voting from a place other than the venue at AGM) to exercise their right to vote at the AGM by electronic means. The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL)

The facility through remote e-voting shall also be made available at the venue of the AGM. Only those members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be able to cast their vote again at the AGM.

The Company has appointed Shri Pravin Kumar Drolia, practising Company Secretary (Certificate of Practice No. 1362) as Scrutinizer for conducting the remote e-voting and voting process at the AGM in a fair and transparent manner.

The instructions for shareholders voting electronically are as under:

- (i) The remote E-voting period begins on 14.09.2019 at 9.00 a.m. and ends on 16.09.2019 at 5.00 p.m. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 10/09/2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL after 5.00 p.m. on 16.09.2019.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com

- (iii) Click on “Shareholders” tab.
- (iv) Now Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID,
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric * PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two characters of their name and the eight digit sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters in CAPITAL letters. Eg. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If both details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (vii)

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant “Deepak Industries Limited” on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option No implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTION FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT” A confirmation box will be displayed. If you wish to confirm your vote, click on “OK” else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone

users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Institutional Shareholders :

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on

approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxi) The Scrutinizer will submit his report on 19.09.2019 before 12.00 p.m. and the result will be announced on 19.09.2019 before 3.00 p.m. by any director. The request will be placed on the website of the Company www.dil-india.com and the website of CDSL and communicated to The Calcutta Stock Exchange Limited where the equity shares of the Company are listed.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Relating to item No.4

Under the provisions of section 148(3) of the Companies Act, 2013 read with rule 14 of the Cos (Audit & Auditors) rules, 2014 the remuneration of the cost auditors is required to be ratified by the shareholders of the Company and your directors recommend the resolutions for approval of the members by Ordinary resolutions.

None of the Directors and Key Management Personnel of the Company and their relatives is concerned or interested in this resolution financially or otherwise.

Relating to item No.5

Shri Sujit Chakravorti, Independent Non-executive Director of the company was appointed as an Independent Director in the Annual General Meeting held on 25/09/2014 for a term of five consecutive years from 01/10/2014 till 30/09/2019.

Shri Sujit Chakravorti more than 75 years of age is a merit listed Chartered Accountant , Cost and Management Accountant, M. Com. Retired as Chairman and Managing Director of M/s. Andrew Yule & Co. Ltd. (a Group Company) after serving the Company for 22 years. He served the 6 years as Chairman and Managing Director and prior to that as Director (Finance) for 7 years. He was also the Chairman of the Group and had an excellent service career. Served as Chairman of other Group companies like Tide Water Oil (I) Co. Ltd., DPSC, DESCON, Phoenix Yule Co. Ltd. etc A well-known professional in corporate management, strategic planning and finance, Life Fellow Member of the Council of Arbitration (FICA), also and Associate Member of Indian Chamber of Commerce, served as Nominee Director of IDBI, IIBI, UTI etc. in number of companies. Retired as an Independent Director of a large Central Govt. PSU selected by PSEB. Served as members of the Board in 6 companies of which in 2 as non-executive Chairman of companies. He served as member / chairman of several committees of the Board. He also serves as the Senior Partner of an Audit firm. He also serves as Arbitrator and Management Consultant.

His advice and in depth knowledge particularly in Engineering Company has always been beneficial to the Company. During his tenure, the Company has immensely been benefitted from his advice and guidance. Despite of

his attaining 75 years he is in good health and is regular in attending to his job as independent director. He has attended all the meeting of the Board and Committee of which he is a member.

Upon consideration of the benefits received by the company from his good advices time to time, the Board is of the opinion that his continuation as Independent Director of the Company for the another term of five consecutive years will be immensely beneficial to all stakeholders, and recommend the shareholders passing of this resolution as special resolution.

None of the Directors, KMPs and their relatives are concerned or interested financially or otherwise in this resolution except the appointee and his relative.

Relating to item No.6

Shri Anand Prasad Agarwalla., Independent Non-executive Director of the company was appointed as an Independent Director in the Annual General Meeting held on 25/09/2014 for a term of five consecutive years from 01/10/2014 till 30/09/2019.

Shri Anand Prasad Agarwalla, a Solicitor and Advocate, is a well known Advocate in Kolkata. He is associated with the Company as director since 30/03/2002.

His advice and in depth knowledge particularly in law and administration has always been beneficial to the Company. During his tenure, the Company has immensely been benefitted from his advice and guidance. He is in good health and is regular in attending to his job as independent director. He has attended all the meeting of the Board and Committee of which he is a member.

Upon consideration of the benefits received by the company from his good advices time to time, the Board is of the opinion that his continuation as Independent Director of the Company for the another term of five consecutive years will be immensely beneficial to all stakeholders, and recommend the shareholders passing of this resolution as special resolution.

None of the Directors, KMPs and their relatives are concerned or interested financially or otherwise in this resolution except the appointee and his relative.

Relating to item No.7

In order to reward the non-executive directors, the Company has a practice to remunerate them by way of

commission within the limits laid down under section 197 of the Companies Act, 2013 besides sitting fees for attending the meetings of the Board and Committee. The last enabling resolution for such payment was passed in the Annual General Meeting held on 29/09/2015 valid from 01/04/2014 for 5 years.

The Board recommend passing of the resolution by the shareholders as special resolution.

All the non-executive directors of the Company and their relative are concerned or interested in this resolution financially or otherwise. No other executive directors and KMPs and their relatives are interested or concerned in this resolution financially or otherwise.

By Order of the Board
V D MALL
Company Secretary

Place: Kolkata
Date: 29/05/2019.



Information required to be furnished under SEBI(LODR), 2015 in respect of the Appointment/Re-appointment of the Directors

Name of the Director	Shri Pradip Kumar Daga	Shri Sujit Chakravorti	Shri Anand Prasad Agarwalla
DIN No	00040692	00066344	00312652
Date of Appointment	16/12/2008	30/10/2007	30/03/2002
Date of Birth	24/04/1937	13/09/1943	05/11/1951
Age	82 Years	75 Years	68 years
Qualification	B. Com. , (Hons)	M.Com, FCA, FCMA	B A LLB
Experience in specific functional areas	Tea, Spinning, Engineering and Solar and Hydro Power	Engineering and Tea	Law , Finance and Administration
Number of Meetings of the Board Attended during the financial year commenced from 01/04/2018	Four	Four	Four
Directorship in other Companies excluding foreign Companies, Companies under section 8 of the Companies Act, 2013 and private Companies	1) Longview Tea company Limited 2) Century Textiles and Industries Limited 3) Deepak Spinners Limited	1) Duroply Industries Limited 2) Durgapur Chemicals Ltd- Unlisted Govt Company. 3) Infusions (India) Ltd 4) WEBFIL Ltd	nil
Chairmanship / Membership/ of Committees of Other Public Companies (Only Audit Committee and Stakeholders Relationship Committee considered)	Longview Tea Company Limited-Member of Audit Committee Century Textiles & Industries Limited-Member of Audit and Stakeholders relationship Committee	Chairman of the Audit Committee of Duroply Industries Limited Chairman of the Audit Committee and Stakeholders relationship committee of Webfil Ltd	nil
Shareholding in the Company	207700	nil	nil
Relationship with other directors	Father of Shri Yashwant Kumar Daga, VCJMD	No	No
Terms and conditions of appointment/re-appointment along with details of remuneration last drawn by such person	As per the resolution passed in the AGM Held on 14/09/2018 and last remuneration-Rs. Nil.	Re-appointment and continuation as an Independent Director of the Company for another term of five consecutive five years from 01/10/2019 to 30/09/2024. Remuneration for F Y 2018-19 is Rs. 325000/-by way of sitting fees and Commission.	Re-appointment as an Independent Director of the Company for another term of five consecutive five years from 01/10/2019 to 30/09/2024. Remuneration for F Y 2018-19 is Rs. 333000/-by way of sitting fees and Commission.

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present their Report together with the Audited Financial Statements for the year ended 31st March 2019.

Financial Results

Particulars	₹ in lakhs
	31 st March, 2019
Profit before Finance Cost, depreciation and amortization & Tax	10318.35
Less\Finance Cost	1020.27
Depreciation and Amortization	2179.45
Profit before Tax	7118.63
Current Tax	2430.00
Taxation related to earlier years	-
Deferred Tax	18.91
Total Tax	2448.91
Profit for the year	4669.72
Other Comprehensive Income	
(i) Items that will not be classified to Profit and Loss Account	8.59
(ii) Income tax relating to items that will not be reclassified to Profit and Loss	(3.00)
Other Comprehensive Income for the year (net of tax)	5.59
Total Comprehensive Income for the year	4675.31
Basic and diluted earnings per share (Rs.)	118.03

The Financial statements for the year ended 31st March 2019 have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act 2013

Subsidiary, Associate and Joint Venture

The Company has no Subsidiary, Associate and Joint Venture.

Dividend

The Board of Directors has recommended a dividend of 100% that is, ₹ 10/- (Rupees Ten only) per share of the face value of ₹ 10/- each for the approval of shareholders. The dividend will be paid when declared by the shareholders in accordance with law. The Company will pay dividend distribution tax plus applicable surcharge, applicable on the dividend distribution tax.

General Review

Your directors are pleased to inform that the Company has for the first time crossed the turnover of ₹ 500 Crores at ₹519.94 Crores which has been possible with your consistent support and encouragement to the Board to excel.

Your company was able to achieve the all around improvement which has been possible through the judicious capex in the past. The management continues to lay emphasis on the capex for continuous growth in the business of your company.

Revenues with other income for financial year ended 31st March, 2019 stood at ₹ 53164.62 lakhs, profit before finance cost, depreciation and amortization, and tax ₹ 10318.35 lakhs, and profit after tax for the year was ₹ 4669.72 lakhs and Total Comprehensive Income for the year was ₹ 4675.31 Lakhs.

During the year under review, automobile and tractor gear segment performed well despite adverse market conditions and the performance of the industrial gear segment was better compared to the previous year in terms of containing the losses.

Generation from solar power plant was satisfactory followed by improved realization of the REC certificates.

Delisting of the Company

Your Board has considered the proposal of the promoters of the Company to delist the Company from The Calcutta Stock Exchange Limited on which the Company is only listed and in this connection has appointed a merchant Banker to carry out the due diligence.

Internal Financial Control Systems

The Company has in place adequate Internal Financial Control System commensurate with the size, scale and nature of its operations. During the year such controls were tested and no reportable material weakness in the operations has been observed. The Company has appropriate policies and procedures in place for

ensuring proper and efficient conduct of its business, the safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information. During the year under review, the Company has not come across any incidence of fraud. The Company has adopted accounting policies, which are in line with the applicable accounting standards and the companies Act, 2013.

Internal Audit is conducted by independent Chartered Accountants, on quarterly basis. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the company. Based on the reports of the Internal Auditors, the respective departments undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and corrective action thereon are presented to the Audit committee of the Board of Directors.

Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the members of the Company in its Annual General Meeting held on 10th August 2017 approved appointment of M/s. Lodha & Co., Chartered Accountants (ICAI Registration no. 301051E) as the Statutory Auditors of the Company for an initial term of 5 consecutive year subject to ratification of such appointment at every subsequent meeting during their tenure.

As per the notification dated 7th May 2018, issued by Ministry of Corporate Affairs, the appointment of Statutory Auditors, is not required to be ratified by members of the Company in every Annual General Meeting.

Auditors' Report

The Auditors' Report to the Shareholders does not contain any reservation, qualification or adverse remark. During the year under review, the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013, therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

Secretarial Audit and Secretarial Auditor

Pursuant to Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit was carried out by Binay Kumar Pandey, Practising Company Secretary (CP no.12074) for the financial year 2018-19. The Secretarial Audit Report is annexed as 'Annexure – I', to this Report.

There has been no qualification, reservation or adverse remark or disclaimer in the report. During the year under review, the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013, therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

The Company has appointed Binay Kumar Pandey (CP No.12074) to hold the office of the secretarial Auditors and to conduct the Secretarial Audit for the financial year

2019-20.

Cost Audit

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost records maintained by the Company in respect of its manufacturing activities, are required to be audited.

The Board of Directors have on the recommendation of the Audit Committee, appointed, M/s SPK Associates, Cost Accountants (ICWAI Firm's Registration no. 000040), as Cost Auditors of the Company, to carry out cost audit of the products manufactured by the Company for the year 2019-20. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed there under.

The remuneration of the Cost Auditor has been approved by the Board of Directors on the recommendation of Audit Committee. As required under the Companies Act, 2013, read with rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s SPK Associates, Cost Auditors is included in the Notice of 64th Annual General Meeting.

Directors and Key Managerial Personnel

a. Retirement of Directors

Pursuant to Section 152 of Companies Act, 2013 and Articles of Association of the Company, Shri Pradip Kumar Daga (DIN 00040632), retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment. The brief resume and other details as required under the Listing Regulations are provided in the Notice of the 64th Annual General Meeting.

b. Re-appointment of Independent Directors for another term of five consecutive years

Pursuant to the provisions of the Companies Act, 2013, the shareholders in the Annual General Meeting of the Company, held on 25th September 2014 had appointed Shri Sujit Chakravorti (DIN 00291966) as an Independent Non-Executive Director to hold office with effect from 1.10.2014 for a term of five consecutive years up to 30th September 2019. Shri Chakravorti is eligible for re-appointment as an Independent Non-Executive Director for a second term of five consecutive years. Pursuant to the provisions of the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee, his re-appointment is proposed at the ensuing 64th Annual General Meeting.

Pursuant to the provisions of the Companies Act, 2013, the shareholders in the Annual General Meeting of the Company, held on 25th September 2014 had appointed Shri Anand Prasad Agarwalla (DIN 00312652) as an Independent Non-Executive Director to hold office with effect from 1.10.2014 for a term of five consecutive years up to 30th September 2019. Shri Agarwalla is eligible for re-appointment as an Independent Non-Executive Director for a second term of five consecutive years. Pursuant to the provisions of the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee, his re-appointment is proposed at the ensuing 64th Annual General Meeting

There were no changes in Key Managerial Personnel of the Company.

c. Statement on declaration given by Independent Directors

Declarations have been received from all Independent Directors confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act 2013 and Listing Regulations.

d. Meetings

During the year, four Board Meetings and four Audit Committee meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between any two consecutive meetings did not exceed the gap prescribed by the Companies Act, 2013 and Listing Regulations.

e. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out an annual evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its various Committees. The Board on the recommendations of the Nomination and Remuneration Committee lays down the evaluation criteria for evaluation. All the relevant factors that are material for evaluating the performance of the Committees and of the Board and the directors individually were discussed in detail by the Board of Directors.

A structured questionnaire for evaluation of the Board and its various Committees and individual Directors was prepared and recommended to the Board by the Nomination & Remuneration Committee for doing the required evaluation after taking into consideration the inputs received from the Directors, covering various aspects of the Board's functioning.

A separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Director being evaluated. The performance evaluation of the Chairman and non-independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Directors' Responsibility Statement

In terms of the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm as under –

- a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) That the Directors had 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) That 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) That the Directors had prepared the annual accounts on a going concern basis; and
- e) That 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.
- f) That 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.

Corporate Social Responsibility

In accordance with the requirements of Section 135 of the Companies Act, 2013, the Company has a Corporate Social Responsibility Committee, the terms of reference and other details of which are provided in the Corporate Governance Report. The CSR Policy has been framed and posted on the website of the Company, www.dil-india.com.

As required by Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social

Responsibility) Rules, 2014, Annual Report on CSR activities is annexed as 'Annexure – II' to form part of this report.

Vigil Mechanism

The Company has adopted a Vigil Mechanism for Directors and employees of the Company to report genuine concerns of any wrongful conduct with respect to the Company or its business or affairs. The policy covers malpractices, fraud, violation of company's policies or rules, misappropriations of monies and other matters on account of which interest of the Company is affected or is likely to be affected. The policy provides that all protected disclosures can be addressed on a confidential basis to the Vigil Officer or the Chairman of Audit Committee in certain cases. The policy of Vigil Mechanism is an internal policy, to make protected disclosures in good faith and to raise concerns to be appropriately dealt with.

It also provides for adequate safeguards against the victimization of employees who avail of the mechanism. Complaints received by Vigil Officer are to be investigated by the Vigil Officer and a report thereon is to be submitted to the Audit Committee. It is affirmed that no person was denied access to the Vigil Officer and the Audit Committee; and no complaints were received during the financial year 2018-19.

The Policy on Vigil Mechanism is also posted on the website of the Company www.dil-india.com.

Risk Management Policy

Several factors such as advancement in technology, prevalent geo-political environment, stringent regulatory and environmental requirements have consequential impacts across the value chain of a business. The Company has an efficient Risk Management framework to identify and evaluate business risks and opportunities. The Audit Committee has been delegated the responsibility for monitoring and reviewing risk management, assessment and minimization procedures. On the recommendations of Audit Committee, Board of Directors has formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. The Company has adequate internal control systems and procedures to combat risks. The risk management procedures are reviewed by the Audit Committee and the Board of Directors on a quarterly basis at the time of review of the quarterly financial results of the Company.

Nomination and Remuneration Policy

The Board has on the recommendations of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, KMP and Senior Management personnel and their remuneration. The details of Company's Remuneration Policy is annexed as 'Annexure-III' and forms part of this report of the Board of Directors.

Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length pricing basis and were in the ordinary course of business and do not attract the provisions of Section 188 of the Companies Act, 2013

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company and hence, enclosing of Form AOC 2 is not required. Suitable disclosures as required by the Accounting Standard (Ind AS - 24) has been made in the notes to the Financial Statements.

All related party transactions are placed before the Audit Committee as also before the Board for approval. Prior omnibus approval of the Audit Committee is obtained on yearly basis for transactions which are of foreseen and repetitive nature for a period of one year. The transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee on a quarterly basis.

The Policy on Related Party Transactions, as approved by the Board is uploaded on the Company's website www.dil-india.com. None of the Directors has any pecuniary relationship or transaction vis-à-vis the Company except the salary and professional services at arm's length basis.

Shri Anand Prasad Agarwalla, Independent Director of the Company is a solicitor and advocate and he provides legal professional services to the Company time to time as required by the Company. The transaction with the said director and his advocate son for legal services are on arm's length basis and in the ordinary course of business.

Shri Yashwant Kumar Daga, VCJMD of the Company who is one of the promoter of the Company and holds more than 10% share in the company has been paid remuneration during the year ₹ 77.28 Lakhs

Disclosures regarding Employees

- a) The Statement of Details of Remuneration as required under Section 197 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as 'Annexure – IV' and forms a part of this Board's Report.
- b) There has been no employee in the Company drawing remuneration as prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. There are no employees posted and working in a country outside India drawing the specified remuneration in a financial year. However, the name of the top 10 employees in terms of the remuneration drawn is not being annexed to this report and such particulars shall be made available upon request from the

shareholders before the date of the forthcoming annual general meeting.

- c) No employee, other than the Managing Director by himself or along with his spouse and dependent children holds 2% or more of the equity shares of the Company.
- d) The Company has not received any complaint under 'The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013, during the year.

Public Deposits

During the year, the Company has not accepted any deposits from the public and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

Loans, Guarantees and Investments

The Company has not given loans, directly or indirectly to any person or other body corporate or given guarantee or provided any security in connection with a loan to any other body corporate or person. The investments made by the Company are stated in the financial statement of the Company.

Management Discussion and Analysis Report

A report for the year under review as required under Regulation 34 and as stipulated under Part B of Schedule V of Listing Regulations, of the said regulations is annexed herewith as **Annexure-V** and forms part of this report.

Corporate Governance :

A report on Corporate Governance and Management Discussion and Analysis as required under Regulation 34 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as stipulated in part C of schedule V is annexed herewith and forms part of this report. Compliance Certificate issued by Practising Company Secretary, regarding compliance of Corporate Governance is also annexed with this report as **Annexure-VI**

Abstract of Annual Return

The abstract of annual return for the year ended 31/03/2019 in Form MGT-9 as per the provisions of Section 92 of the Companies Act 2013 and Rule 12 of the

Companies (Management and Administration) Rules, 2014 is annexed with this report as '**Annexure – VII**'.

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

As required by Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014, information with regard to Conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed as '**Annexure – VIII**' to form part of this report.

Significant and material orders passed by the regulators or courts

There are no significant material orders passed by the regulators / courts which would impact the going concern status of the Company and its future operations.

Compliance with Secretarial Standards

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

Acknowledgement

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from Investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thank the employees at all levels, who, through their dedication, co-operation, support and smart work have enabled the Company to achieve growth.

Cautionary Statement

Statements in the Board Report and Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of the applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

Pradip Kumar Daga
Chairman –cum-Managing Director
DIN 00040692

Yashwant Kumar Daga
Vice-Chairman-cum-Joint
Managing Director
DIN 00040632

Sujit Chakravorti
Director
DIN 00066344

Place : Kolkata

Date : 29/05/2019

Anand Prasad Agarwalla
Director
DIN 00312652

Meera Dokania
Director
DIN 07094376

ANNEXURE-I

CS BINAY KUMAR PANDEY
Practising Company Secretary

M/s B K P & ASSOCIATES
Company Secretaries
4th Floor, Room No. 426,
City Centre Building
19, Synagogue Street
Kolkata 700001

To,
The Members,
Deepak Industries Limited
16, Hare Street,
Kolkata 700 001

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 as 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 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 verification of procedures on 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.

Place: Kolkata
Dated: May 29, 2019.

For B K P & ASSOCIATES
Company Secretaries
(CS Binay Kumar Pandey, ACS)
Membership No. FCS 9830
C.P. No. 12074

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

[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]

To,
The Members,
Deepak Industries Limited
16, Hare Street,
Kolkata 700 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Deepak Industries Limited. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory practices and expressing our opinion thereon.

Based on our verification of the Deepak Industries Limited'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 representation during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 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 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of import and export of goods and services;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company for the financial year ended March 31, 2019.

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (vi) Other laws as mentioned in the Annexure attached herewith and as may be applicable to the company.

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

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (b) The Listing Agreements entered into by the Company with the Calcutta Stock Exchange Limited.

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 Directors, Non-Executive Directors and Independent Directors. The Company has a woman director on its Board. There was no change in the composition of the Board of Directors during the period under review.

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 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. We have however not observed any dissenting member's views.

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 the Company has –

- (a) not allotted any share or other securities during the period.
- (b) not altered the provisions of the Memorandum of Association or the Articles of Association.
- (c) not taken any major decision at the last Annual General Meeting held in the year 2018.
- (d) no merger / amalgamation / reconstruction etc.
- (e) no foreign technical collaborations.

Place: Kolkata
Dated: May 29, 2019.

For B K P & ASSOCIATES
Company Secretaries
(CS Binay Kumar Pandey, ACS)
Membership No. FCS 9830
C.P. No. 12074

ANNEXURE

LIST OF OTHER APPLICABLE LAWS

1. Air (Prevention and Control of Pollution) Act, 1981
2. Apprentices Act, 1961
3. Consumer Protection Act, 1986
4. Indian Contract Act, 1872
5. Employees' Provident Funds and Miscellaneous Provisions Act, 1952
6. Employees' State Insurance Act, 1948
7. Environment Protection Act, 1986
8. Factories Act, 1948
9. Industrial Disputes Act, 1947
10. Industrial Employment (Standing Orders) Act, 1946
11. Industries (Development and Regulation) Act, 1951
12. Maternity Benefit Act, 1961
13. Minimum Wages Act, 1948.
14. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
15. Negotiable Instruments Act, 1881
16. Payment of Bonus Act, 1965
17. Payment of Gratuity Act, 1972
18. Payment of Wages Act, 1936
19. Registration Act, 1908
20. Sale of Goods Act, 1930
21. Water (Prevention and Control of Pollution) Act, 1974
22. Workmen's Compensation Act, 1923
23. Income-Tax Act, 1961
24. The Companies Act, 2013
25. The Customs Act, 1962
26. The Motor Vehicles Act, 1988
27. Boiler Act, 1923
28. The Central Goods and Service Tax Act, 2017.
29. Shops and Establishment Act, Profession Tax Act, and other Commercial Acts of respective states.

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT for 2018-19

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

The Company has formulated a Corporate Social Responsibility (CSR) Policy stated in the link mentioned below pursuant to Section 135 of the Companies Act, 2013 and Notification dated 27th February, 2014 issued by the Ministry of Corporate Affairs under the said Section. The policy is framed for undertaking activities as may be found beneficial and feasible for betterment of critical social environmental of the weaker sections of the society, preferably locally, near to the factory sites of the Company. This CSR policy relates to the activities to be undertaken by the Company as specified in Schedule VII of the Act and the expenditure thereon and focuses on addressing critical social, environmental and economic needs of marginalised/underprivileged sections of the society. The CSR policy is hoisted on the web link www.dil-india.com under the Investors section of the site.

2. The Composition of the CSR Committee:

The composition of the CSR Committee is as follows:

Name of the Director	Chairman/Member	Promoter/Independent Director
Shri Pradip Kumar Daga,	Chairman	Promoter CMD of the Company
Shari Anand Prasad Agarwalla	Member	Independent Director
Shri Sujit Chakravorti	Member	Independent Director

3. Average net Profit of the company for last three years: ₹ 3131.32 lakhs
 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 62.63 lakhs
 5. Details of CSR spent during the financial year:
 (a) Total amount to be spent for the financial year; ₹.62.63 lakhs
 (b) Amount unspent, if any; ₹ 60.24 lakhs.
 (c) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Sub-heads (1)Direct expenditure on projects or programs (2)Overheads (₹)	Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementing agency
1	Provision of Medical aid to the under privileged , disabled and other needy persons	Promoting health care including preventive health care	West Bengal, Kolkata	Not set	239500/-	239500/-	Direct

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: The Company is making efforts to spend the amount through the various programmes undertaken by the Company.
 7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectivities and Policy of the company.

Shri Yashwant Kumar Daga (Chief Executive Officer or Managing Director or Director)	Shri Pradip Kumar Daga (Chairman of CSR Committee)	N.A (Person specified under clause (d) of sub-section (1) of section 380 of the Act) (wherever applicable)
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Place: Kolkata
Date: 29/05/2018

ANNEXURE-III

DEEPAK INDUSTRIES LIMITED
NOMINATION AND REMUNERATION POLICY
(Amended by Board w.e.f 1st April, 2019)

INTRODUCTION:

In compliance with the provisions of Section 178 of the Companies Act, 2013 read with the applicable rules thereto and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the SEBI Listing Regulations) as amended from time to time and in pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

OBJECTIVE AND PURPOSE OF THE POLICY:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry to which the Company belongs.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Constitution of the Nomination and Remuneration Committee:

The Board has constituted Nomination and Remuneration Committee on 30th May 2014. The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirements.

Definitions:

- 'Board' means Board of Directors of the Company.
 - 'Directors' means Directors of the Company.
 - 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board. In accordance with provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations
 - 'Company' means Deepak Industries Limited.
 - 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013. and in Regulation 16 of SEBI Listing Regulations
 - 'Key Managerial Personnel (KMP)' means-
 - (i) Chief Executive officer or the Managing Director or the Manager
 - (ii) Whole-time Director
 - (iii) Chief Financial Officer;
 - (iv) Company Secretary;
 - (v) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board;
 - (vi) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
 - 'Senior Management Personnel' means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer
- Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability:

The Policy is applicable to -

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

General :

- This Policy is divided in three parts:
 - (i) **Part – A** covers the matters to be dealt with and recommended by the Committee to the Board,
 - (ii) **Part – B** covers the appointment, nomination and removal and
 - (iii) **Part – C** covers remuneration and perquisites etc.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Carry out the evaluation of performance of Directors, KMP and Senior Management Personnel and recommend to the Board, their appointment and removal.
- Recommend to the Board a policy relating to remuneration for the directors, KMP and other employees and recommend to the Board, amendments to such policy as and when required.
- Recommend to the board , all remuneration, in whatever form, payable to senior management

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

• **Guiding Principles**

- Remuneration policy and arrangements for Directors, KMPs and Senior Management Personnel, shall be determined by the Committee on the basis of Company's financial position, pay and employment conditions prevailing in peer companies or elsewhere in competitive market to ensure that the remuneration and the other terms of employment shall be competitive to ensure that the Company can attract, retain and motivate competent executives.
- Remuneration packages may be composed of fixed and incentive pay depending on short and long term performance objectives appropriate to the working of the Company.

- The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

• **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company may appoint or continue the employment of any person as Managing Director/Whole-time Director/ Manager who has attained the age of seventy years and the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
4. Every whole-time Key Managerial Personnel of the Company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment, including the remuneration. Provided that the appointment of managing director/whole time director/ manager shall require approval of shareholders as per the provisions of the Companies Act, 2013.
5. A whole time KMP shall not hold office in more than one company except in its subsidiary company, if any, at the same time. However, such KMP can be a director of any Company with the permission of the Board.
6. The Managing Director or Manager of the Company may be the Managing Director or Manager of one and not of not more than one other Company and such appointment should be approved by a resolution passed at a meeting of the Board with the consent of

all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.

- **Term / Tenure:**

1. Managing Director/Whole-time Director:
 - The Company shall appoint or re-appoint any person as its Managing Director or Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. Independent Director:
 - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
 - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
 - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.
3. Key Managerial Personnel (KMP)-

If the office of any whole time KMP is vacated, the resulting vacancy shall be filled up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

- **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, at regular interval (yearly).

- **Removal:**

Due to reasons for disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of any Act, rules and regulations, their service contract or evaluation of their performance.

- **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to such approvals, as may be required in this regard.

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTORS, DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL

1. The remuneration / compensation / commission etc. to the Managing Director/Whole-time Directors and Directors will be determined by the Committee. It shall be fixed as per the statutory provisions of the Companies Act, 2013 and the rules made there under for the time being in force and in accordance with and subject to the relevant provisions of the Articles of Association of the Company. The Committee shall recommend the remuneration / compensation / commission etc. to be paid the Managing Director/ Whole-time Director and Directors to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. Increments to the existing remuneration / compensation structure of Whole time Director

and Directors may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of managerial person.

3. The Non- Executive / Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.
4. Commission to Non-executive Directors may be paid within the monetary limit approved by shareholders, as per the applicable provisions of the Companies Act, 2013.
5. The remuneration / compensation / commission etc. to the KMP and Senior Management Personnel will be determined based on the Company's financial position, trends and practices on remuneration prevailing in peer companies, in the industry to which the company belongs and performance of such KMP and Senior Management Personnel.
6. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.
7. An Independent Director shall not be entitled to any stock option of the Company. The full or key features of this policy shall be included in the Board's Report.

ANNEXURE-IV

Deepak Industries Limited
Disclosure pursuant to rules 5(1) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014

Sr. No.	Requirement of Rule 5(1) for the Financial Year 2018-19	Details
i.	The ratio of remuneration of each director to the median remuneration of the employee of the company for the financial year.	Shri Yashwant Kumar Daga: 28.70 Other Directors-N A (as they do not receive monthly remuneration)
ii.	The Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or manager, if any, in the financial year	<u>Director</u> Shri Yashwant Kumar Daga, VCJMD- 10.93% Other Directors- N.A (as they do not receive monthly remuneration) Key Managerial Personnel Shri Maneesh Khanna, CFO- Nil Shri Vithal Das Mall, Company Secretary- Nil Manager: Not applicable as the company does not have a Manager.
iii.	The Percentage increase in the median remuneration of employee in the financial year.	2.22%
iv.	The Number of permanent employee on the roll of the Company.	986 as on 31/03/2019.
v.	Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average salary increase of non-managerial employees is 13.13%, Average salary increase in managerial personnel is about 5.68% There are no exceptional circumstances in increase in managerial remuneration.
vi.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended 31/03/2019 is as per the Remuneration Policy of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report forms the part of Board Report for the year ended 31st March, 2019.

OVERALL REVIEW AND INDUSTRY STRUCTURE AND DEVELOPMENT.

Indian economy has grown at about 7.1% in the year 2018-19 and the same was stagnant as per the previous year. Although the fiscal deficit has been contained to the target of 3.4% of the gross GDP but the collection of the direct tax and GST has been lower than projected by a good margin for Rs.90000 crores respectively. The government has initiated several measures for ease of doing business in India by which the Indian ranking has improved which is currently 73 as per the DBR Report of the World Bank. Make in India initiative of the current government is showing result but there is lack of bulk capacity green field projects particularly in production and manufacturing sector. There has been some relief to the banks under the Bankruptcy code in terms of recovery but the bank had to undertake a good amount of write offs eroding their capital which has been partly made good by the recent capitalisation by the government.

The metal, power, road, construction, infra, rail, information technology, etc have not shown encouraging growth. The reform in the agri sector is yet to materialise in terms of benefits to the farmers.

BUSINESS SEGMENTS

There has been some relief to the Industrial gear segment being largely dependent on establishment of infra sector projects, expansion of core industries such as power, metal, infra etc.

The auto gear industry dependent on the automobile and tractor manufacturing has shown some growth which will improve with the reforms in the agri sector. However, forecast of lower monsoon in the year 2019-20 is a concern.

OPPORTUNITY AND THREATS

Expected re-election of incumbent government at the centre is being seen as a good news world-wide for the policy stability and raising of the business confidence. India is the largest producer of the tractors in the world followed by china and Indian tractor market is expected to grow at about 10% in the financial year 2019-20. However the growth in the commercial vehicles is expected to be poor due to higher fuel prices. The replacement market in the auto gear segment continues to grow. Your company's investments in manufacturing capacity made in the recent years is reaping benefits.

Generation of solar power station is satisfactory. However, the purchase of RECs, is not reviving as in last year.

FINANCIAL PERFORMANCE

This has already been discussed in the Board Report and further segment performance can be looked in the segment information part of the notes to the accounts.

OUT LOOK

It is expected that the core sectors will show improvement and investments in power and infra sectors will receive a fresh momentum. The current policy of allocation of coal and gas will have encouraging response.

RISK AND CONCERNS

The company has made sufficient investment in both the segments and requires skilled man power to operate the latest technology machines. Increased power cost, higher transaction cost, high cost of labour continues to hinder the progress. Competition from peers continues to be intensifying.

INTERNAL CONTROL SYSTEM AND ADEQUACY.

The Company has adequate internal control systems and procedures commensurate with the size and nature of business ensuring that the assets and resources are used reasonably and are adequately protected and all the internal policies and statutory guidelines are complied with.

HUMAN RESOURCES AND INDUSTRIAL RELATION

The industrial relations continue to be cordial as the Company continues to lay emphasis on employee's development at all levels. There are 986 employees in the Company as on 31.03.2019.

Details of the significant changes (i.e the change of 25% or more as compared to immediately previous financial year) in the key financial ratios along with the detailed explanations thereof.

Ratios	2018-19	2017-18	% Change	Detailed explanation if more than 25%
Interest covering ratio	7.98	5.52	44.53	This ratio has improved due to increase in profit in the current financial year
Debt Equity ratio	0.40	0.71	(-)43.82	This ratio has improved by more than 25% due to increase in the retained earnings in the current financial year.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Governments regulations, tax laws and other incidental factors. The Company assumes no responsibility in respect of forward looking statements that may be revised or modified in the future on the basis of subsequent developments, information of events.

REPORT ON THE CORPORATE GOVERNANCE FOR THE YEAR ENDED 31st MARCH, 2019

A Report pursuant to Regulation 34(3) read with of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') in compliance with the Corporate Governance requirements is set out below.

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The essence of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. The Company is committed to implement sound corporate governance practices with a view to promote transparency and to create value for consumers, shareholders employees and national economy. It is our responsibility to protect the rights of our shareholders and disclose timely, adequate and accurate information regarding our financials and performance, as well as the governance of the Company.

(I) BOARD OF DIRECTORS

COMPOSITION, OUTSIDE DIRECTORSHIPS, AND ATTENDANCE AT THE BOARD MEETING

As on 31st March 2019, in compliance with the Listing Regulations, the Company's Board of Directors headed by Executive Chairman, Shri Pradip Kumar Daga, comprised and an Executive Vice Chairman cum Joint Managing Director (VCJMD) and three other Independent Non-executive Directors, including a woman Independent Director. In compliance with Listing Regulations, more than fifty percent of the total numbers of Directors are Independent Directors.

The information with regard to Composition and attendance of Board of Directors in Board Meetings and the last Annual General Meeting, outside Directorships and other Memberships of Board Committees as on 31st March 2019 as applicable is given hereunder –

Name of Director [DIN]	Category of Directorship	No. of Directorship in other Companies*	No of Committees Membership(s)/ Chairmanship(s) in Board Committees of other Companies@		Names of the listed company where the person is a Director and category of Directorship	No of Shares and convertible instruments held in the Company. (The Company has no convertible instruments)
			As a Member	As a Chairman		
Shri Pradip Kumar Daga Chairman-cum-Managing Director [00040692]	Promoter Non-Independent Executive Director	4	3	Nil	1.Deepak Industries Limited-(CMD) 2.Deepak Spinners Limited-(CMD) 3.Longview Tea Company Limited-(Non Executive) 4.Century Textiles and Industries Limited-(Independent)	207700
Shri Yashwant Kumar Daga, Vice-Chairman-cum-Joint Managing Director [00040632]	Promoter Non-Independent Executive Director	10	9	Nil	1.Deepak Industries Limited-(VCJMD) 2.Deepak Spinners Limited-(Non Executive) 3.Longview Tea company Limited (Non Executive) 4.Magadh Sugar & Energy Limited (Independent) 5.HGI Industries Limited (Independent) 6.Mint Investments Limited-(Independent)	524313

Name of Director [DIN]	Category of Directorship	No. of Directorship in other Companies*	No of Committees Membership(s)/ Chairmanship(s) in Board Committees of other Companies@		Names of the listed company where the person is a Director and category of Directorship	No of Shares and convertible instruments held in the Company. (The Company has no convertible instruments)
			As a Member	As a Chairman		
Shri Sujit Chakravorti [00066344]	Independent Non-Executive Director	5	0	3	1.Deepak Industries Limited-(Independent) 2.Duroply Industries Limited (Independent) 3.Webfil Limited(Non Executive)	Nil
Shri Anand Prasad Agarwalla [00312652]	Independent Non-Executive Director	Nil	Nil	Nil	1.Deepak Industries Limited(Independent)	Nil
Smt Meera Dokania [07094376]	Independent Non-Executive Director	Nil	Nil	Nil	1.Deepak Industries Limited (Independent)	Nil

- *Excludes Directorship in Deepak Industries Limited, alternate Directorship, Directorship in foreign Companies and Companies formed under section 8 of the Companies Act, 2013.
- @Committee positions only of Audit Committee and Stakeholders Relationship Committee in Listed Public Companies have been considered (excluding Deepak Industries Limited).
- The board is constituted of the two Promoters Executive Directors and three Non-Executive Independent Directors.
- None of the Directors held Directorship in more than 20 Indian companies, with not more than 10 public limited companies.
- None of the Directors is a member of more than 10 committees or chairperson of more than 5 committees across all the public limited companies in which he/she is a Director. As per Listing Regulations, only memberships of Audit Committee and Stakeholders Relationship Committee have been taken into consideration for the purpose of ascertaining the limit.
- All the Independent Directors except Shri Sujit Chakravorti are below the age of seventy five years.
- In the opinion of the Board, all the Independent Directors fulfil the conditions specified in the Listing Regulations and are Independent of the Management.
- Shri Yashwant Kumar Daga is son of Shri Pradip Kumar Daga.
- Familiarisation programme inducted to the Independent Director are disclosed on the website of the Company in the Investors relation section at <http://www.dil-india.com/familiarisation.html>.

CORE SKILLS/ EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS IN THE CONTEXT OF ITS BUSINESSES AND SECTORS

The Company requires skill in the engineering for the gear transmission equipments for manufacture of various types of gears required in Steel. Power, sugar, cement and other heavy engineering units and automobile gears and solar power generation followed by accounts, marketing, legal and administration and all of these skills are available to the Board through the five experienced members of the Board.

Skills / expertise / competencies	Description	Availability
Strategy and planning	- Ability to think strategically, - identify and assess opportunities and threats - Develop strategies in the context of the company's objectives, policies and priorities	Yes

Skills / expertise / competencies	Description	Availability
Policy Development	- Ability to identify key issues and opportunities for the Company and - develop policies to guide operations of the Company	Yes
Governance, Risk and Compliance	- Experience in the application of corporate governance principles in a Company, - Ability to identify key risks to the Company in different areas including legal and regulatory compliance	Yes
Financial Performance	- Qualifications and experience in accounting and/or finance and - the ability to analyze key financial statements, critically assess financial viability and performance - ability to contribute to strategic financial planning	Yes
Government Relations (policy & process)	- Experience in managing government relations and industry advocacy strategies	Yes
Commercial Experience	- A broad range of commercial / business experience, preferably in the small to medium enterprise context, in areas including communications, marketing, business systems, practices and improvement.	Yes
Marketing and communications	- Experience in and thorough understanding of communication with industry groups and end users.	Yes

- The Board hereby confirms that in its opinion the three Independent Directors fulfil the conditions specified in these regulations and are independent of the management.
- No Independent Director resigned during the year.
- The Company does not have any stock option scheme.

BOARD MEETINGS

Dates for the Board meeting are decided well in advance and communicated to the Directors. The Agenda along with the notes are sent at least seven days in advance to the each Board Member.

The Board of Directors met four times during the year on 30/05/2018, 13/08/2018, 14/11/2018, and 13/02/2019 respectively.

Name of the Director	No. of Board Meeting Attended	Attended last AGM held on 14/09/2018
Shri Pradip Kumar Daga	4	No
Shri Yashwant Kumar Daga	4	Yes
Shri Sujit Chakravorti	4	Yes
Shri Anand Prasad Agarwalla	4	Yes
Smt Meera Dokania	4	Yes

Shareholding of the Non-Executive Directors in the Company as on 31st March, 2019:

Name of the Director	No of equity shares held as on 31 st March, 2019
Shri Sujit Chakravorti	Nil
Shri Anand Prasad Agarwalla	Nil
Smt Meera Dokania	Nil

The information as required under Schedule-II of SEBI (LODR), Regulations, 2015 as amended is made available to the Board.

The Board periodically reviews Compliance Report of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

The Company has adopted Code of Conduct and Ethics for Directors and Senior Management Personnel of the Company. The said Code of Conduct is available on the website of company in the Investors Relations section. The Company has

received confirmations from the Directors as well as Senior Management Personnel regarding Compliance of Code of Conduct and Ethics during the year under review. In addition to this a separate Code of Conduct for dealing in equity shares in the Company is also in place and has been complied with.

Shri Yashwant Kumar Daga, Vice Chairman-cum- Joint Managing Director has given a certificate to the Board of Directors in pursuance of SEBI(LODR) Regulations, 2015

DECLARATION BY THE CEO UNDER SEBI (LODR) REGULATIONS,2015 REGARDING ADHERENCE OF THE CODE OF CONDUCT.

In accordance with SEBI (LODR) Regulations 2015, I hereby confirm that all the Directors, KMP and the Senior Management personnel of Deepak Industries Limited have affirmed compliance to Code of Conduct and Ethics framed by the Company for the Financial Year ended 31.03.2019.

Kolkata, 29/05/2019

Yashwant Kumar Daga
Vice-Chairman-cum- Joint Managing Director

(II) AUDIT COMMITTEE

The Audit Committee comprises of three Directors, namely Shri Anand Prasad Agarwalla, Chairman, Shri Yashwant Kumar Daga, VCJMD and Smt Meera Dokania, as Members. The Members have adequate knowledge of accounts and financial matters. The Secretary of the Company acts as a Secretary of the Committee.

The role of Audit Committee includes –

- oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors ;
- reviewing with the management quarterly results and annual financial statements before submission to the Board for approval;
- approval or any subsequent modification of any transactions of the Company with related parties;
- review and monitor the auditor's independence and performance and effectiveness of audit process;
- evaluation of internal financial controls and risk management system; scrutiny of inter corporate loans and investments, if any and
- reviewing of functioning of Vigil Mechanism.

The terms of reference of the Audit Committee are in conformity with the requirements with the /SEBI(LODR) Regulations, 2015 and the Companies Act, 2013. The audit committee inter-alia reviews annual and quarterly financial statements, accounting policies, system of internal controls, reports of internal auditors, Related party transactions, recommend the appointment of statutory auditors, internal auditors, appointment of Chief Financial Officer, and ensuring of compliance with stock exchanges and other legal requirements.

The Audit Committee met four times during the year respectively on 30/05/2018, 13/08/2018, 14/11/2018 and 13/02/2019. The attendance of each members of the committee is given below. Statutory and Internal Auditors also attended the meeting on the invitation of the Chairman of the meeting.

Name of the Member	No of Meetings held	No of Meetings attended
Shri A.P. Agarwalla	4	4
Shri Yashwant Kumar Daga	4	4
Smt Meera Dokania	4	4

(III) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three Directors, namely Shri Anand Prasad Agarwalla, Chairman, Shri Sujit Chakravorti, and Smt Meera Dokania, as Members.

The powers, role and terms of reference of the Nomination and Remuneration Committee cover the matters specified under Regulation 19 of the Listing Regulations as well as Section 178 of the Companies Act, 2013.

The role of Nomination and Remuneration Committee includes –

- Formulation of criteria for determining qualifications, positive attributes and independence of a Director ;
- Recommending to the Board a policy relating to the remuneration for Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Nomination and Remuneration committee inter-alia formulates the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and Senior Management Personnel and other employees, identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry evaluation of every Director's performance.

The Nomination and Remuneration Committee met two times during the year on 30/05/2018 and 13/02/2019. The attendance of each members of the committee is given below.

Name of the Member	No of Meetings held	No of Meetings attended
Shri A.P. Agarwalla	2	2
Shri S. Chakravorti	2	2
Smt Meera Dokania	2	2

The Remuneration policy of the Company is annexed with the Board's report which may please be referred to. Chairman of the Nomination and Remuneration Committee attended the last AGM.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The Nomination and Remuneration Committee lays down the framework for performance evaluation of Independent Directors. The framework used for performance evaluation of the Independent Directors covers the areas relevant to their functioning as Independent Directors and is based on the expectation that they are performing their duties in a manner which should create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed upon them.

The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation of the Directors, the Director subject to evaluation, had not participated.

(IV) DETAILS OF REMUNERATION PAID TO DIRECTORS (01/04/2017 to 31/03/2019)

The Executive Vice-Chairman-cum-Joint Managing Director is paid remuneration approved by the Board and shareholders and other Non-Executive Directors are paid sitting fees for attending the meetings of the Board and Committee and also commission approved by the Board of Directors from time to time.

Name of Director	Salary	Benefits	Total	(₹)
Yashwant Kumar Daga, (Vice-Chairman-cum-Joint Managing Director	6720000	1008460	7728460	Executive Compensation consists of fixed salary; no variable payment is made to the Director. The initial contract is for a period of five years with effect from 15/11/2014 to 14/11/2019 which has since been renewed for another term of five years from 15/11/2019 to 14/11/2024. The notice period is three months No stock option has been issued

	Sitting Fees					Commission paid during the year (for FY 2017-18) (Provided for FY 2018-19)
	Board Meeting	Audit Committee Meeting	Stakeholders Relationship committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	
Smt Meera Dokania	40000	8000	2000	4000	-	275000 (350000)
Shri A.P. Agarwalla	40000	8,000	2000	4000	4000	275000 (350000)
Shri S. Chakravorti	40000	-	2000	4000	4000	275000 (350000)

- Non-executive Directors are paid Sitting fees of Rs. 10000/-for attending each meeting of the Board and Rs.2000/-for attending each meeting of Committee and commission on net profits of the Company as recommended by the Nomination and Remuneration Committee and approved by the Board.
- No stock option is available to any of the Directors.
- The service contract of the Executive Director is initially for five years and notice period is three months without any severance fees except the retirement benefits as may be determined by the Board at the time of retirement. There is only fixed components of the salary for Executive Directors.
- During the year the Company has paid Rs 92000/- as professional fees to Shri Anand Prasad Agarwalla, Advocate, Director of the Company and Rs.39000/- to his son Shri Niraj Agarwalla, Advocate,. The payments to them were at arm's length price and in the ordinary course of business. There were no other than above pecuniary relationships or transactions of the Executive and Non -Executive Directors vis-a-vis the Company.

(V) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee comprises of three Non-Executive Independent Directors namely, Smt Meera Dokania as Chairman, Shri Sujit Chakravorti, Shri A.P. Agarwalla as members and. Shri Vithal Das Mall, Secretary of the Company acts as the secretary of the committee. The Compliance Officer of the Company is Shri Vithal Das Mall, Company Secretary. The Committee deals with the shareholder's complaints and grievances etc. As per the Certificates furnished by the Registrar & Share Transfer Agents M/S Maheshwari Datamatics Private Limited, the Company did not receive any Investors complaints during the year ended 31st March, 2019 and there were no pending complaints as on 31st March, 2019.

The committee met one time during the year on 13/02/2019 in which all the Committee members were present.

(VI) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Board of Directors of the Company have constituted a Corporate Social Responsibility (CSR) Committee of the Board comprising three Directors Shri Pradip Kumar Daga as Chairman, Shri Anand Prasad Agarwalla, and Shri Sujit Chakravorti as members and Shri Vithal Das Mall acts as Secretary of the Committee.

The Board on the recommendation of the Committee has framed a CSR policy which has been hosted on the company website in the Investors Relation section at <http://www.dil-india.com/investors/CSR%20POLICY%20DIL.pdf>

The Committee held two meeting on 30/05/2018 and 13/02/2019 in which all the committee members were present.

(VII) MEETING OF THE INDEPENDENT DIRECTORS

One separate meeting of the Independent Directors was held on 18/01/2019 in which all the Independent Directors were present to review the performance of the Non-Independent Directors and the Board as a whole with the performance of the Chairman of the Company and also to assess the quality, quantity and timeliness of flow of information between the Company management and the Board as per Para VII of schedule IV of the Companies Act, 2013.

(VIII) SHARE TRANSFER SYSTEM

Share transfer documents are registered and certificate returned within prescribed time from the date of receipt, if the documents are clear in all respects as per provisions of LODR. The transfers are approved by the Secretary/ Director of the Company in consultation with the Managing Director and/or by the Board.

There was no pending request for share transfer etc. as on 31st March, 2019.

(IX) SUBSIDIARY COMPANIES

The Company does not have any subsidiary, associate and joint venture company.

(X) FAMILIARISATION PROGRAMME

The Board has framed a familiarisation programme to familiarise the Independent Directors their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company etc through the various programmes..

The Familiarisation programmes have been disclosed on the company's website in the Investors Relations section at <http://www.dil-india.com/familiarisation.html>.

(XI) ANNUAL GENERAL MEETINGS

Location, date and time for last three Annual General Meetings were as follows:

Year	Location	Date	Time	No. of Special Resolution Passed
2016-17	16, Hare Street, Kolkata-700 001	29/09/2016	2.00 P M	Nil
2017-18	-do-	10/08/2017	1.00 P.M	1
2018-19	-do-	14/09/2018	2.00 P M	4

i) Five Special Resolutions were passed during last three Annual General Meetings.

Date	Special Resolution Matter
10/08/2017	Removal of the promoter entity from promoter category in the shareholding pattern
14/09/2018	Special resolution to borrow in excess of the paid up capital and free reserves and share premium account by ₹ 300 crores
14/09/2018	Special resolution for mortgaging and /or charging all or any of the moveable and immovable properties both present and future upto the amount lent by the lenders
14/09/2018	Special Resolution for re-classification of the promoters
14/09/2018	Special resolution for re-appointment of Shri Pradip Kumar Daga as Chairman-cum managing Director of the Company

ii) Two special resolutions were passed in the EGM held on 28/03/2019, one on for the re-appointment of Shri Yashwant Kumar Daga, as Vice-Chairman-cum-Joint Managing Director and other for the continuation of Shri Sujit Chakravorti as non-executive Director of the Company despite attaining the age of 75 years.

iii) No Special Resolution was passed through the postal ballot during the year.

iv) No Special Resolution is proposed to be conducted through postal ballot in the ensuing Annual General Meeting of the Company. However, for other special resolutions, if any, in the future, the same will be decided at the relevant time.

v) Procedure for postal ballot, if any, is as per the provisions contained in this behalf in the Companies Act, 2013 and rule made there under namely The Companies (management and Administration) Rules, 2014, as amended, are followed.

(XII) MEANS OF COMMUNICATION

There is no practice to send half-yearly report to each shareholder. Company is regularly publishing all its quarterly, half yearly and yearly results in print media in English Business Standard and local language in Sukhabar which are widely circulated in West Bengal as well as nationally.

The Company has a website www.dil-india.com to display the quarterly results and other information as required under the listing agreement. No presentation have been made to Investors Relations/Analysts and stakeholders of the Company.

(XIII) GENERAL SHAREHOLDERS INFORMATION

i) Date, time and venue of forthcoming AGM	Tuesday, the 17th September, 2019 at 2.00 P M at 16, Hare Street, Kolkata-700 001
ii) Financial Calendar	2019-2020 (Tentative)
First unaudited Quarterly Results	Middle of August, 2019
Second unaudited Quarterly Results	Middle of November, 2019
Third unaudited Quarterly Results	Middle of February, 2020

Audited yearly Results for the year ended 31 st March, 2020.	Before end of May, 2020
iii) Annual Book Closure dates	11.06.2019 to 17.09.2019 (both days inclusive)
iv) Payment of Dividend	₹ 10/- per share for the year 2018-19
v) Listing on Stock Exchanges	The Calcutta Stock Exchange Limited 7, Lyons Range, Murgighata, Dalhousie, Kolkata, West Bengal 700001
vi) Annual listing fee	Listing fee has been paid upto and for the year 2019-2020.
vii) ISIN No. of the Company :	INE 485J01016
viii) Stock Code in Calcutta Stock Exchange	10014084

MARKET PRICE DATA

There has been no trading of the Company's share during the year on The Calcutta Stock Exchange.

REGISTRAR AND TRANSFER AGENT

The Company has appointed M/s. Maheshwari Datamatics Pvt. Ltd., Kolkata, as Registrar and Share Transfer Agent for Company's securities held in physical as well as in electronic mode.

The address and contact details of RTA are as below:

Maheshwari Datamatics Pvt.Ltd, 5th floor, 23, R N Mukherjee Road, Kolkata – 700 001, Phone: 033-2243-5809; 2243-5029, 2248-2248 Fax: 033-2248-4787 E-mail: mdpldc@yahoo.com Website: www.mdpl.in

SHAREHOLDING DETAILS OF COMPANY

Shareholding Pattern of Company as on 31st March, 2019

Category	No. of Shares Held	% of Total Paid up Capital
Promoters & Promoters Group	2732044	69.05
Financial Institutions & Banks	142188	3.59
Bodies Corporate including clearing Member	689858	17.44
Resident Individual	392343	9.92
Mutual Funds	NIL	NIL
NRIs/OCBs	NIL	NIL
Insurance Companies	NIL	NIL
TOTAL	3956433	100.00

Distribution of Shareholding by category as on 31st March, 2019

From	To	No of Shares held	% of total paid-up capital	No of Shareholders	% of Total No of Shareholders
Up to	500	3575	32.3077	21	32.3077
501	1000	12318	26.1538	17	26.1538
1001	2000	8723	12.3077	8	12.3077
3001	4000	3596	1.5385	1	1.5385
5001	10000	24577	6.1538	4	6.15.8
Above	10000	3903644	21.5385	14	21.5385
	Total	3956433	100.0000	65	100.0000

DEMATERIALIZATION AND TRADING OF SHARE ON STOCK EXCHANGE

The Company is pleased to inform that shares of the Company are available for dematerialization with NSDL as well as with CDSL. The equity shares of the Company are under compulsory demat trading for all categories of Investors Relations. As on 31st March, 2019, 3771355 comprising 95.32% of the equity capital stood dematerialized.

The Company has not issued any GDRs / ADRs/ Warrants or any Convertible instruments, which may have likely impact on Equity shares of the Company.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES.

There is basically no commodity price risk as the same is taken care of at the time of quotation of the enquiry of the order and also the Company does not take long period supply orders. Foreign exchange risk and hedging activities are taken care of by forward contracts.

PLANT LOCATION

- i) 62, Hazra Road, Kolkata-700 019
- ii) 14/7, Mathura Road, Faridabad (Haryana)
- iii) Plot no. 62, Sector -11, Rudrapur Dist Udham Singh Nagar, Uttranchal.
- iv) Village: Rojhani, Dist: Shajapur, MP. (Solar Plant)
- v) Plot. No. 292, Sarve 75 & 80, Belur Industrial Area, Dharward, Karnataka
- vi) Village-Bhagola, Bhagola Delvi Road, Tehsil & district-Palwal-121 102

ADDRESS FOR CORRESPONDENCE

Deepak Industries Limited, 16, Hare Street, Kolkata-700 001 Phone Numbers: 033-2248-2391/2/3, Fax: 033-2248-9382
E-mail: secretary@dil-india.com Website: www.dil-india.com.

ALL CREDIT RATINGS OBTAINED BY THE ENTITY

The company has not issued any debt instruments or raised any fixed deposits and the Company has no proposal to mobilise funds through such schemes whether in India or abroad. The Credit rating obtained by the company from ICRA for working capital and term loan is [ICRA].AA-Stable as on 21/09/2018

(XIV) DISCLOSURES

- i) All related party transactions have been entered into the ordinary course of business and were placed periodically before the audit committee in summary form including transactions for which omnibus approval of the Audit Committee was taken. There were no material individual transactions with related parties which were not in the normal course of business required to be placed before the audit committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on arm's length basis. Details of related party transactions during the year ended the 31st March, 2019 have been set out under an appropriate note in Schedule to the Annual Accounts of the Company for the year ended 31st March, 2019.
- ii) All Accounting Standards mandatorily required have been followed without exception in preparation of the financial statements.
- iii) Procedure for assessment of risk and its minimisation have been laid down by the Company and reviewed by the Board. These procedures are periodically reassessed to ensure that executive management controls risks through means of a properly defined framework.
- iv) The Company has fully complied with all the requirements of regulatory authorities on Capital Markets and consequently, no penalties/ strictures have been imposed against it during the last three years.
- v) The Company has adopted a Vigil Mechanism Policy which has been put on the website of the Company in the Investors Relations section at http://www.dil-india.com/investors/DIL_Vigil_Mechanism.pdf and no personnel have been denied access to the Audit Committee. Shri Vithal Das Mall, Company Secretary has been appointed as Vigil Officer under the said policy.
- vi) There has been no non-compliance by the Company during the year and no penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter relating to the capital markets during the last three years.
- vii) Management Discussion and Analysis is a part of Annual Report. Shareholders information section forms part of the Annual Report
- viii) There were no financial and commercial transactions by Senior management as defined in SEBI (LODR) Regulations, 2015 where they have any personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company and that the same has been confirmed by all the Senior Management.
- ix) Reconciliation of Share Capital Audit is carried out by Practicing Company Secretaries on quarterly basis to reconcile the total admitted paid-up capital with National securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) with the total issued and paid-up capital. The reconciliation audit

confirms that the total issued and paid up capital is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL.

- x) The Company has complied with all the mandatory requirement of SEBI (LODR) Regulations, 2015 e.g., Constitution of the Board, Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, and a report on the Compliance report on the Corporate Governance is submitted to the stock Exchange every quarter. The Company has not adopted the non-mandatory requirements of SEBI (LODR) Regulations, 2015.
- xi) The Company has obtained a certificate from Shri Pravin Kumar Drolia, Practising Company Secretary 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 the SEBI/Ministry of Corporate Affairs or any such authority.
- xii) No complaints have been filed under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year and no complaints are pending as on the end of the financial year.
- xiii) Details of total fees paid to statutory auditors

The details of total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part are as follows:

Type of Service	For FY 2018-19	Remarks
Audit Fees	10,00,000	The Company has no subsidiaries.
Others	6,75,000	
Total	16,75,000	

(XV) DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT.

There were no undelivered shares with the Company to be eligible for transfer to the demat suspense account or unclaimed suspense account and no report thereon is required to be given by the Company/

(XVI) NON-MANDATORY REQUIREMENT

1. The Board
The Company has an executive Chairman
2. Shareholders' Right
Half yearly financial results including summary of the significant events in the last six months are presently not being sent to shareholders of the Company.
3. Audit Qualification
There are no qualifications in the Auditor's report on the financial statements to the Shareholders of the Company.
4. Separate Post for Chairman and CEO
Presently, the Company has a executive Chairman.
5. Reporting of Internal Auditor
Internal Auditors are invited to the meeting of Audit Committee wherein they interact directly with the Committee.

(XVII) DISCLOSURES OF THE COMPLIANCES SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (b) TO (i) OF SUB REGULATION (2) OF REGULATION 46 OF SEBI(LODR) REGULATIONS, 2015

The Company is in compliance with all the regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 except the regulation 24 which is not applicable to the Company as the Company has no subsidiary.

(XVIII) CEO AND CFO CERTIFICATION

The Vice Chairman –cum- Joint Managing Director, that is, the Chief Executive Officer (CEO) and CFO gives the annual certification on the financial reporting and internal controls to the Board in terms of SEBI (LODR) Regulations, 2015. The CEO and CFO also give quarterly certification on the financial results while placing the financial results before the Board in terms of SEBI (LODR) Regulations, 2015.

The Board of Directors at their Meeting held on 29th May 2019 adopted the above Report

DROLIA & COMPANY

3rd FLOOR, ROOM NO.19, 9, CROOKED LANE, KOLKATA-700069

MOBILE NO.- 9831196869,EMAIL ID: droliapravin@yahoo.co.in

CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
Deepak Industries Ltd,
16, Hare Street,
Kolkata 700 001

I have examined the revelant records of M/s. Deepak Industries Limited ("The Company") having registered office at 16, Hare Street, Kolkata - 700 001 for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (LODR) Regulations, 2015 for the financial year ended 31st March, 2019. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate governance. This certificate is neither as 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.

In my opinion to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stated in the aforesaid regulations, 2015.

Place: 9, Crooked Lane,
Kolkata 700069
Date: 29th May, 2019

For Drolia & Company
(Company Secretaries)
(Pravin Kumar Drolia)
Proprietor
CP 1362
FCS 2366

ANNEXURE-VII

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019.

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L63022WB1954PLC021638
ii) Registration Date	08 TH MAY, 1954
iii) Name of the Company	DEEPAK INDUSTRIES LIMITED
iv) Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES
v) Address of the Registered office and contact details	16, HARE STREET, KOLKATA-700001
vi) Whether listed company Yes / No	YES
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	MAHESHWARI DATAMATICS PVT LTD 23, R.N.MUKHERJEE ROAD, 5 th FLOOR, KOLKATA-700001 PHONE: 033-2248-2248, 2231-6389, FAX: 2248-4787 EMAIL: info@mdpl.in; mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Industrial Gears	3563	84.43%
2	Automobile Gears	3563	13.80%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
NIL					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**t) Category-wise Share Holding**

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2018]				No of Shares held at the end of the year [As on 31/Mar/2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2207444	0	2207444	55.7938	2207444	0	2207444	55.7938	0.0000
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	524600	0	524600	13.2594	524600	0	524600	13.2594	0.0000
e) Banks/Fi	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	2732044	0	2732044	69.0532	2732044	0	2732044	69.0532	0.0000

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2018]				No of Shares held at the end of the year [As on 31/Mar/2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	2732044	0	2732044	69.0532	2732044	0	2732044	69.0532	0.0000
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	142188	0	142188	3.5938	142188	0	142188	3.5938	0.0000
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	142188	0	142188	3.5938	142188	0	142188	3.3598	0.0000
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	688858	364325	1053183	26.6195	689858	0	689858	17.4364	-9.1831
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	9990	19028	29018	0.7334	9990	13578	23568	0.5957	-0.1378
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.0000	197275	171500	368775	9.3209	9.3209
c) Others (Specify)									
Non Resident Indians	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2018]				No of Shares held at the end of the year [As on 31/Mar/2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
Employee Trusts	-	-	-	-	-	-	-	-	-
Domestic Corporate Unclaimed Shares Account	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):-	698848	383353	1082201	27.3529	897123	185078	1082201	27.3529	0.0000
Total Public Shareholding (B)=(B)(1)+ (B)(2)	841036	383353	1224389	30.9467	1039311	185078	1224389	30.9468	0.0000
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3573080	383353	3956433	100.0000	3771355	185078	3956433	100.0000	0.0000

(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2018]			Shareholding at the end of the year [As on 31/Mar/2019]			% change in share holding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	ASHA DEVI DAGA	604806	15.2866	0.0000	604806	15.2866	0.0000	0.0000
2	NANDINI DAGA	870625	22.0053	0.0000	870625	22.0053	0.0000	0.0000
3	YASHWANT KUMAR DAGA	524313	13.2522	0.0000	524313	13.2522	0.0000	0.0000
4	PRADIP KUMAR DAGA	207700	5.2497	0.0000	207700	5.2497	0.0000	0.0000
5	COPLAMA PRODUCTS PRIVATE LIMITED	524600	13.2594	0.0000	524600	13.2594	0.0000	0.0000
	TOTAL	2732044	69.0532	0.0000	2732044	69.0532	0.0000	0.0000

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

Sl No	Name	Shareholding at the beginning of the year [01/Apr/18]/		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ASHA DEVI DAGA				
	01/04/2018	604806	15.2866		
	31/03/2019	604806	15.2866	604806	15.2866
2	NANDINI DAGA				
	01/04/2018	870625	22.0053		
	31/03/2019	870625	22.0053	870625	22.0053
3	YASHWANT KUMAR DAGA				
	01/04/2018	524313	13.2522		
	31/03/2019	524313	13.2522	524313	13.2522
4	PRADIP KUMAR DAGA				
	01/04/2018	207700	5.2497		
	31/03/2019	207700	5.2497	207700	5.2497

Sl No	Name	Shareholding at the beginning of the year [01/Apr/18]/		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	COPLAMA PRODUCTS PRIVATE LIMITED				
	01/04/2018	542600	13.2594		
	31/03/2019	524600	13.2594	524600	13.2594

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

Sl No	Name	Shareholding at the beginning of the year [01/Apr/18]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	JALPAIGURI HOLDINGS PRIVATE LIMITED				
	01/04/2018	618312	15.6280		
	31/03/2019	618312	15.6280	618312	15.6280
2	NAVIN AGRO INDUSTRIES LTD.				
	01/04/2018	200525	5.0683		
	31/08/2018-Transfer	-200525	5.0683	0	0.0000
3	NAVIN UDYOG PROMOTIONS LTD.				
	01/04/2018	162500	4.1072		
	31/08/2018-Transfer	-162500	4.1072	0	0.0000
4	ICICI BANK LTD				
	01/04/2018	142188	3.5958		
	31/03/2019	142188	3.5958	142188	3.5958
5	KARIKISH VYAPAAR PRIVATE LIMITED				
	01/04/2018	5250	0.1327		
	31/03/2019	5250	0.1327	5250	0.1327
6	KNITWORTH LEAE FINANCE LTD.				
	01/04/2018	6236	0.1576		
	31/03/2019	6236	0.1576	6236	0.1576
7	PNC CAPITAL TRUST LTD.				
	01/04/2018	13362	0.3377		
	31/03/2019	13362	0.3377	13362	0.3377
8	ARIDHI VANIJYA PRIVATE LIMITED				
	01/04/2018	7127	0.1801		
	31/03/2019	7127	0.1801	7127	0.1801
9	Bhawani Freight And forwarders Pvt Ltd				
	01/04/2018	5964	0.1507		
	31/03/2018	5964	0.1507	5964	0.1507
10	PRJ FINANCE PVT.LTD.				
	01/04/2018	15601	0.3943		
	31/03/2019	15601	0.3943	15601	0.3943

SI No	Name	Shareholding at the beginning of the year [01/Apr/18]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	RISORGIMENTO INDUSTRIAL COMPANY LIMITED				
	01/04/2018	13362	0.3377		
	31/03/2019	13362	0.3377	13362	0.3377
12	Achhay lal Yadav				
	01/04/2018	0	0.000		
	12/10/2018-Transfer	80500	2.0347	80500	2.0347
13	Shantanu Daga				
	01/04/2018	0	0.0000		
	29/09/2018	99850	2.2537	99850	2.2537
14	Ramesh Kumar Poddar				
	01/04/2018	0	0.0000		
	12/10/2018-Transfer	91000	2.3001	91000	2.3001
15	Amritesh Daga				
	01/04/2018	0	0.0000		
	29/09/2018-Transfer	97425	2.4624	97425	2.4624

(v) Shareholding of Directors and Key Managerial Personnel:

SI No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

Directors

1	PRADIP KUMAR DAGA				
	01/04/2018	207700	5.2497		
	31/03/2019	207700	5.2497	207700	5.2497
2	YASHWANT KUMAR DAGA				
	01/04/2018	524313	13.2522		
	31/03/2019	524313	13.2522	524313	13.2522
3	Other Directors				
	01/04/2018	NIL	NIL		
	31/03/2019	NIL	NIL	NIL	NIL

Key Managerial Personnel

1	Vithal Das Mall				
	01/04/2018	0	0		
	31/03/2019	0	0	0	0.0000
	Other Key Managerial personnel				
	01/04/2018	NIL	NIL		
	31/03/2019	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	₹ Lakhs			
Indebtedness at the beginning of the financial year				
i) Principal Amount	12233.81	3433.98	-	15667.79
ii) Interest due but not paid	38.54	-	-	38.54
iii) Interest accrued but not due	0.53	-	-	0.53
Total (i+ii+iii)	12272.88	3433.98	-	15706.86
Change in Indebtedness during the financial year				
• Addition				
• Reduction	1723.65	3266.20		4989.85
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	10520.98	167.78	-	10688.76
ii) Interest due but not paid	28.03	-	-	28.03
iii) Interest accrued but not due	0.22	-	-	0.22
Total (i+ii+iii)	10549.23	167.78	-	10717.01

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Amount in ₹
		Yashwant Kumar Daga, VD/JMD
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6722060
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1008460
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission	NIL
	- as % of profit	
	- others, specify...	
5.	Others, please specify	NIL
	Total (A)	7728460
	Ceiling as per the Act	5% of the net profit of the Company computed as per sec 197 and 198 of the Companies Act, 2013

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
		Anand Prasad Agarwalla	Sujit Chakravorti	Meera Dokania	
1.	Independent Directors				
	• Fee for attending board and committee meetings	58000	50000	54000	162000
	• Commission	275000	275000	275000	825000
	• Others, please specify				
	Total (1)	333000	325000	329000	987000
2.	Other Non-Executive Directors				
	• Fee for attending board committee meetings	NIL			
	• Commission	NIL			
	• Others, please specify	NIL			
	Total (2)	NIL			
	Total (B) = (1 + 2)	333000	325000	329000	987000
	Total Managerial Remuneration	333000	325000	329000	987000
	Overall Ceiling as per the Act	1% of the net profits of the Company computed under section 197 and 198 of the Companies Act, 2013 excluding Sitting fees within the prescribed ceiling under section 197(5) of the Companies Act, 2013.			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel (₹)		
		Company Secretary Vithal Das Mall	CFO Manish Khanna	Total
1.	Gross salary	540000	798000	1338000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	110000	612340	722340
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission			
	- as % of profit	NIL	NIL	NIL
	- Others, specify...			
5.	Others, please specify	NIL	NIL	NIL
	Total	650000	1410340	2060340

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	NIL	Not applicable	Not applicable	Not applicable	Not applicable
B. DIRECTORS					
Penalty	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	NIL	Not applicable	Not applicable	Not applicable	Not applicable
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	NIL	Not applicable	Not applicable	Not applicable	Not applicable

Annexure-VIII

Information as required under Rule 8(3) of the Companies (Accounts) Rules, 2014 on conservation of Energy

(i) Step Taken or Impact on Conservation of Energy during the year 2018-19

The company continues to give high priority to conservation of energy to conserve and optimize energy wherever practicable by economizing on fuel and power on a continuous basis by renovation/up/gradation in high consumption areas like lighting, Air Conditioning, heat treatment, supply power factor through additional condensers. The new machines installed and put to use are highly energy efficient

We append energy conservation measures implemented in our various units during the above period:

Faridabad Plant

1. Energy saving team of senior and experienced officials of company along with outside Energy consultation agencies interact time to time for exploring the new possibilities of Energy conservation Projects and working on its Projects.
2. Maintaining the power factor of Electric supply near unity by APFCR Panels.
3. Provided Electric Battery operated Forklift -03 Tons in place of Diesel Forklift and E-Rickshaw for Material movement.
4. After commissioning of Servo voltage stabilizer of 3000 KVA at Main HT Electricity Board supply for stabilizing voltage, removed around 30 Nos. 25KVA/30 KVA individual LT Servo stabilizers from the machines.
5. Made the system for Machine procurement with Energy Efficient Motors only.
6. Replaced T-5 Tube lights and Overhead 250 Watt Metal halide lights with LED Energy Efficient Over head mid bay 72 Watt lights
7. Replaced machine lamps from 60 Watt to LED Bulbs of 09 Watt.
8. Replaced CFL with LED lights in Admn. Block office.
9. In house team done Extensive work for compressed air leakage detection and prevention.
10. Increased the number of natural lighting in all shop floors by fixing Polycarbonate transparent sheets in the roof.

Rudrapur Plant

11. LED Lamps used against HPMV Lamps:
 - 1- 250 watts street lamp replaced with 45 watts, Qty-7 No's
 - 2- 250 watts plant lamps replaced with 85 watts, Qty-5 No's
 - 3- 250 Watts plant lamps replaced with 45 Watts, Qty-3 No's
12. Continuously maintain unity power factor with help of automatic power factor control relay panel.
13. Drilling machines coolant pump (0.5kw) running continuously, circuit modified to protect continuous running .At present coolant motor run only at the time of operation.
14. Changed Conference room CFL lights with LED lights.

Bhagola Plant

15. Maintaining power factor equal to 1 by automatic power factor control Relay Panel Banks.
Replaced LED lights
 - (i) Led light 30 watt qty-43 nos.
 - (ii) Led light 36 watt qty-20 nos.
 - (iii) Led light 118 watt qty-5 nos.
16. Provided UPS 40 Kva for quenching operation of sqf-5th & 6th to avoid the running of DG set during quenching operation.
17. Installation & Commissioning of SQF-5th & 6th PNG fired instead of Electric Heated Furnaces.
18. Provide Electric Battery operated forklift Linde make for material movement instead of diesel Forklift.
19. Installation & Commissioning of PNG fired Endo Gas Generator of SQF-5th & 6th instead of Electric Heated.
20. Installation & Commissioning of HT Transformer with OLTC -2500kva,11kv/415v

B). Technology absorption

- i) The Efforts Made Towards Technology Absorption;
Company had introduced following technology in last few years for the product quality improvement, Faster production Development, Cost reduction
1. Straitening of Shafts,
 2. Shot Peening
 3. Hard Tuning
 4. Gear Teeth Grinding
 5. Marking
 6. CNC Teeth Chamfering(with Auto Part Load/Unload)
 7. Quality Checking Equipment
 8. CNC HOB Resharpener
 9. Provided Energy efficient Bin washing machine of Karcher make.
 10. Use of Robots on Turn mill centre machines.
 11. Oil spinning system for oil conservation.
 12. Use of multi gauging system.
 13. Introduction of in process gauge with feedback system for offset correction, to get consistent quality.
- ii) Benefit derived
- 1) Automation in Process
 - 2) Elimination of operator skill dependency
 - 3) Multiple machining operations in one setup
 - 4) Utilizing Latest cutting TML technology for cycle time improvement
 - 5) Quality Assurance
- iii) Imported Cases

2017-18

Automatic Straightner Pas/50-500kn, Cesare Galdabini s.p.a

Renishaw Equitor 300 Gauging System, Reni Shaw PLC.

2016-17

Roughness Tester Make: Mahr, Model-Marsurf Xr1

AMS-CNC Vertical Machining Center

Gear Chamfering & Deburring m/c

Precision Slant Bed CNC Chucker Model

Machine/Technology Description

Gear Grinding Machine, Viper 500W(HOFLER)

Horizontal machining Centre (BFW)

2015-16

Machine Turning Centre, Make Toshiba, Japan

200 xrf Analyzer & Accessories, Make Bruker, USA

External Cylindrical Grinding Machine, Make MICROMATIC

Double Ended Facing & Centering Machine, Make HMT

Heavy Duty CNC Gear Hobbing Machine, Make HMT

Carl Zeiss Micro Scope Model:Axio Imager M2M

CNC Generating & Profile Grinding Machine Model:Lcs/300, Make: Liebherr

Hv3100 Automatic Hardness Tester Wilsion Make

Motorized Upright Metallurgical Microscope

- a) Whether the technology been fully utilized: Yes

- b) If not fully absorbed: NA
- iv) Expenditure incurred on R & D (In house only, not on imported case in Last FY)
The research and development is being carried out in house by qualified professional for development, technology up gradation.

(C) Foreign Exchange earning and outgo

The Company is making an all out effort of the products and expects improved performance in export in the coming year.

(D) The Foreign Exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual figures

Earnings & Expenditures in Foreign Currency:		Rs. In lakhs
a)	Earnings	
	Export	901.95
	Tooling Advances (Other Income)	4.81
b)	Expenditure	
	Travelling	7.57
	Repairs & Maintenance	59.14
	Others	85.41
	Raw Materials (CIF)	75.51
	Stores and Spares parts (CIF)	258.48
	Capital Goods (CIF)	1502.34

Independent Auditors' Report
To the Members of Deepak Industries Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Deepak Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and Other Explanatory Notes for the year ended on that date (hereinafter referred to as "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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, 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), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' 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 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have considered the matters described below to be the Key Audit Matters for incorporation in our Report.

Key audit Matters	Addressing the Key Audit Matters
<p>Provisions and Contingencies</p> <p>Recognition of provision and/or disclosure for contingencies are based on estimates requiring application of judgement with respect to existing facts and circumstances which are subject to variation on actual crystallization.</p> <p>The Company has long outstanding matters involving direct and indirect taxes which are pending before appropriate authorities. (Note 39 of Financial Statements)</p> <p>Management judgment for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company is essential as it is not possible to predict the outcome of pending matters with accuracy.</p>	<p>Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the Contingent Liabilities include the following:</p> <ul style="list-style-type: none"> • We tested the effectiveness of controls for estimating the possible effect of matters keeping in view the provisions of the relevant laws and regulations; • We discussed with management the recent developments and the status of the matters having significant application; • We reviewed Management's judgements relating to the estimates keeping in view the expected outcome thereof; • Due consideration has been given to experts' view and opinion on the matters of significance; • Reviewed the appropriateness and adequacy of amounts involved, as required in terms of the requirement of IND AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Key audit Matters	Addressing the Key Audit Matters
<p>Impairment Allowances on Trade Receivables</p> <p>Gross Trade Receivable of the Company is ₹ 10762.36 Lakhs as on 31st March 2019. This includes significant amounts, which have fallen due for payment and are lying outstanding for a considerable period of time. Management has carried impairment allowances of ₹ 153.13 Lakhs. (Note No. 11 of the Financial Statements)</p> <p>The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit worthiness of the trade receivables and historical write-off experience.</p>	<p>Our audit procedures based on which we arrived at the conclusion regarding the carrying amount of Trade Receivables include the following:</p> <ul style="list-style-type: none"> • We obtained an understanding from the Management, assessed and tested the design and operating effectiveness of the Company's key controls over the recoveries against the outstanding amounts and resultant impairment assessment of material Trade Receivables; • We reviewed Management's assessment and evaluation on the credit worthiness of the major trade receivables and historical trends and current dealing with the customers; • We further discussed with the Management the adequacy of the allowance for impairment as recorded and reviewed the supporting documents provided in relation to such assessment.

Information other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Directors' Report, Management Discussion and Analysis Report, Business Responsibility Report and Report on Corporate Governance, but does not include the Financial Statements and our auditors' 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 and Those Charged with Governance 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 state of affairs (financial position), Profit or Loss (financial performance including 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 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 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, 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 Standard on Auditing (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 scepticism 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 system 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- ii. 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 (including Other Comprehensive Income), the Statement of Changes in Equity 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 Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control with reference to financial statements; and
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 39 of the financial statements;
 - ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
 - iii. With respect to the reporting under Section 197 (16) of the Act to be included in the Auditors' Report, in our opinion and according to the information and explanations given to us, the Remuneration (including Sitting fees) paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act and is not in excess of the limit laid down therein.

For **Lodha & Co.**
Chartered Accountants
Firm's ICAI Registration No. 301051E

H K Verma
Partner
Membership Number: 055104

Place: Kolkata
Date: 29th May 2019

ANNEXURE “A” TO THE AUDITORS’ REPORT OF EVEN DATE:

The Statement referred to in paragraph i with the heading ‘Report on other legal and regulatory requirements’ of our Report of even date to the members of Deepak Industries Limited on the financial statements of the Company for the year ended 31st March 2019, we report that:

- i)
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. There is a phased programme of verification of such assets, based on which physical verification of fixed assets is being carried out by the management. Discrepancies in respect of fixed assets verified during the year were not material.
 - c. Based on verification of title deeds/ lease deeds produced to us by the management and according to the information and explanations given to us, in our opinion, the title deeds/ lease deeds of immovable properties are held in the name of the company.
- ii) As explained to us, inventories have been physically verified during the year at reasonable intervals by the management. As far as ascertained, discrepancies noticed on verification between the physical stocks and the book records were not material and the same has been properly dealt with in the books of account.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties listed in the register maintained under Section 189 of the Act. Hence clause 3(iii) of the Order are not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the investments made. The Company has neither issued any guarantee, given any loan nor has provided any security on behalf of any party. Further according to the information and explanations given to us, the company has not entered into any transactions as referred to in section 185 of the Act.
- v) The Company has not accepted any deposits. Consequently, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable to the Company.
- vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company’s products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii)
 - a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Service tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues as applicable to it. However, according to the information and explanations given to us, there is no undisputed amounts payable in respect of these which were in arrears as on March 31, 2019 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, the details of disputed dues of income tax, sales tax, service tax, custom duty, excise duty, and Value added Tax, if any, as at March 31, 2019, not deposited on account of any dispute are as follows:

(₹ in Lakhs)

Name of the Statute	Nature of Dues	Amount	Forum Where dispute is Pending
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2000-01)	27.90	Revision pending before Kolkata High Court.
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2002-03)	36.08	Revision pending before Tribunal & High Court.
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2005-06)	56.46	Pending before Kolkata High Court.
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2006-07)	63.57	Revision pending before Revision Board (State matter settled under SOD Scheme).
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2010-11)	21.33	Revision pending before Revision Board.

Name of the Statute	Nature of Dues	Amount	Forum Where dispute is Pending
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2011-12)	30.75	Revision pending before Revision Board.
Central Sales Tax Act, 1956	Central Sales Tax (F.Y.2012-13)	20.88	Revision pending before Revision Board.
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2014-15)	90.75	Revision pending before Revision Board.
W.B. Sales Tax Act, 1944	W.B. Sales Tax (F.Y 2002-03)	24.21	Revision pending before Tribunal & High Court.
W.B. Sales Tax Act, 1944	W.B. Sales Tax (F.Y. 2010-11)	0.88	Revision pending before Revision Board.
Central Excise Act, 1944(Rule 14 of CENVAT Credit Rule)	CENVAT for Service Tax on Rent (F.Y. 2009-10)	4.19	Punjab and Haryana High Court, Chandigarh.
Income Tax Act, 1961	Income Tax	6.40	Commissioner of Income Tax VI (Appeals)/ Kolkata.
Income Tax Act, 1961	Income Tax (Assessment Year 2013-14)	0.26	Commissioner of Income Tax VI (Appeals)/ Kolkata.
Income Tax Act, 1961	Income Tax (Assessment Year 2015-16)	83.11	Commissioner of Income Tax (Appeals) 2/ Kolkata.
Income Tax Act, 1961	Income Tax (Assessment Year 2016-17)	145.37	Commissioner of Income Tax (Appeals) 2/ Kolkata.

- viii) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks and governments. As explained, the company does not have any loan or borrowings from any financial institution or any dues to debenture holders.
- xi) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- x) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud by the Company or on the Company by its officers or employees nor have we been informed of any such cases by the management.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and 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.
- xvi) According to the information and explanations given to us and based on 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 (xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Lodha & Co.**
Chartered Accountants
Firm's ICAI Registration No. 301051E

H K Verma
Partner
Membership Number: 055104

Place: Kolkata
Date: 29th May 2019

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph ii (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

We have audited the internal financial controls with reference to the financial statements of Deepak Industries Limited (“the Company”) as at March 31, 2019 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 is 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 on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. 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.

Auditors’ 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 issued by the Institute of Chartered Accountants of India 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 the 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 control 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 such 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 auditors’ 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company’s internal financial control 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 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 receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to 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 control 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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 issued by the Institute of Chartered Accountants of India.

For **Lodha & Co.**
Chartered Accountants
Firm's ICAI Registration No. 301051E

H K Verma
Partner
Membership Number: 055104

Place: Kolkata
Date: 29th May 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ In lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	5	16,146.36	13,913.10
(b) Capital work-in-progress		18.07	455.37
(c) Intangible Assets	6	56.50	98.76
(d) Financial Assets			
(i) Investments	7	100.85	91.04
(ii) Other Financial Assets	8	186.62	109.33
(e) Other non-current assets	9	1,392.94	1,553.29
Total Non Current Assets		17,901.34	16,220.89
(2) Current assets			
(a) Inventories	10	8,304.25	6,909.30
(b) Financial Assets			
(i) Trade receivables	11	10,609.23	9,505.34
(ii) Cash and cash equivalents	12	241.86	195.32
(iii) Other Bank Balances	13	8,517.40	14,307.02
(iv) Other financial assets	14	344.42	629.34
(c) Other current assets	15	731.31	605.81
Total Current Assets		28,748.47	32,152.13
Total Assets		46,649.81	48,373.02
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	16	395.64	395.64
(b) Other Equity	17	26,543.00	21,867.69
Total Equity		26,938.64	22,263.33
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	2,249.90	3,060.30
(ii) Other financial liabilities	19	438.88	433.13
(b) Provisions	20	179.19	164.55
(c) Deferred Tax Liabilities (Net)	21	1,104.69	1,082.79
(d) Other Non-current Liabilities	22	0.51	1.83
Total Non Current Liabilities		3,973.17	4,742.60
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	7,555.84	11,446.37
(ii) Trade payables	24		
(a) Total Outstanding dues of micro enterprises and small enterprises		471.14	-
(b) Total Outstanding dues to creditors other than micro enterprises and small enterprises		4,155.54	5,407.90
(iii) Other financial liabilities	25	1,901.53	1,894.09
(b) Other current liabilities	26	1,407.30	2,345.95
(c) Provisions	27	221.67	272.78
(d) Current Tax Liabilities	28	24.98	-
Total Current Liabilities		15,738.00	21,367.09
Total Liabilities		19,711.17	26,109.69
Total Equity and Liabilities		46,649.81	48,373.02

Accompanying Notes on Financial Statements

1-48

These notes are an integral part of the Financial Statements.

For and on behalf of the Board of Directors

As per our report of even date

P K Daga

Y K Daga

(DIN: 00040692)

(DIN: 00040632)

For **Lodha & Co.**

Chairman-Cum-Managing Director

Vice Chairman-Cum-joint-Managing Director

Chartered Accountants

Firm Regn No. 301051E

H K Verma

S Chakravorti

A P Agarwalla

Meera Dokania

Partner

(DIN: 00066344)

(DIN: 00312652)

(DIN: 07094376)

Membership No. 055104

Kolkata

Maneesh Khanna
Chief Financial Officer

V D Mall
Company Secretary

May 29, 2019

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ In lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue From Operations	29	51,994.35	41,232.78
Other Income	30	1,170.57	1,635.07
Total income		53,164.92	42,867.85
EXPENSES			
Cost of Materials consumed	31	25,119.50	18,082.01
Changes in Inventories of finished goods, Stock-in-Trade and work-in progress	32	(1,508.00)	(497.64)
Employee benefits expense	33	5,911.04	5,235.18
Finance costs	34	1,020.27	1,118.45
Depreciation and amortisation expense	35	2,179.45	2,235.63
Other expenses	36	13,324.03	11,639.45
Total expenses		46,046.29	37,813.08
Profit before tax		7,118.63	5,054.77
Tax expense:			
(1) Current tax	38	2,430.00	1,624.74
(2) Deferred tax	38.1	18.91	164.73
Profit for the year		4,669.72	3,265.30
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		8.59	(49.30)
(ii) Income tax relating to items that will not be reclassified to profit or loss	38.3	(3.00)	17.06
Other Comprehensive Income for the year (net of tax)	38.4	5.59	(32.24)
Total Comprehensive Income for the year		4,675.31	3,233.06
Earnings per equity share of value of ₹ 10 each.	43		
(1) Basic (₹)		118.03	82.53
(2) Diluted (₹)		118.03	82.53

Accompanying Notes on Financial Statements

1-48

These notes are an integral part of the Financial Statements.

For and on behalf of the Board of Directors

As per our report of even date

For **Lodha & Co.****P K Daga****Y K Daga**

(DIN: 00040692)

(DIN: 00040632)

Chartered Accountants

Chairman-Cum-Managing Director

Vice Chairman-Cum-joint-Managing Director

Firm Regn No. 301051E

H K Verma**S Chakravorti****A P Agarwalla****Meera Dokania**

Partner

(DIN: 00066344)

(DIN: 00312652)

(DIN: 07094376)

Membership No. 055104

Kolkata

Maneesh Khanna**V D Mall**

May 29, 2019

Chief Financial Officer

Company Secretary

STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2019

(A) Equity Share Capital

Particulars	Note No.	(₹ in lakhs)
Balance as at April 1, 2017		505.61
Changes during the year	16.2.1	(109.97)
Balance as at March 31, 2018		395.64
Changes during the year		–
Balance as at March 31, 2019		395.64

(B) Other Equity (₹ in lakhs)

Particulars	Reserves and Surplus			Total
	Capital Reserve	Capital Redemption Reserve	Retained Earnings	
Balance as at April 1, 2017	35.36	24.20	21,873.96	21,933.52
Utilisation for buy back of equity shares	–	–	(3,298.89)	(3,298.89)
Transfer to Capital Redemption Reserve	–	109.97	(109.97)	–
Profit for the year	–	–	3,265.30	3,265.30
Other Comprehensive Income for the year arising from Re-measurement of defined benefit obligation (net of income tax)	–	–	(32.24)	(32.24)
Balance as at March 31, 2018	35.36	134.17	21,698.16	21,867.69
Profit for the year	–	–	4,669.72	4,669.72
Other Comprehensive Income for the year arising from Re-measurement of defined benefit obligation (net of income tax)	–	–	5.59	5.59
Balance as at March 31, 2019	35.36	134.17	26,373.47	26,543.00

Refer Note no. 17 for nature and purpose of reserves
Accompanying Notes on Financial Statements 1–48
These notes are an integral part of the Financial Statements.

As per our report of even date
For **Lodha & Co.**
Chartered Accountants
Firm Regn No. 301051E

For and on behalf of the Board of Directors
P K Daga **Y K Daga**
(DIN: 00040692) (DIN: 00040632)
Chairman-Cum-Managing Director Vice Chairman-Cum-joint-Managing Director

H K Verma
Partner
Membership No. 055104
Kolkata
May 29, 2019

S Chakravorti **A P Agarwalla** **Meera Dokania**
(DIN: 00066344) (DIN: 00312652) (DIN: 07094376)
Maneesh Khanna **V D Mall**
Chief Financial Officer Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(₹ In lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :				
NET PROFIT BEFORE TAX		7,118.63		5,054.77
ADJUSTMENTS FOR –				
Depreciation	2,179.45		2,235.63	
(Profit)/Loss on sale/ discard of Property, Plant and Equipment	(3.26)		(152.03)	
Interest Income	(665.82)		(1,062.12)	
Liabilities no longer required written back	(214.19)		(117.60)	
Finance costs	1,020.27		1,118.45	
Amortisation of Deferred financial instruments	23.41		46.74	
		2,339.86		2,069.07
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		9,458.49		7,123.84
ADJUSTMENTS FOR –				
Trade and other receivables	(1,103.89)		(2,075.35)	
Inventories	(1,394.95)		(421.81)	
Loans and advances	(170.03)		(331.93)	
Trade Payables and other liabilities	(1,478.40)	(4,147.27)	1,809.36	(1,019.73)
CASH GENERATED FROM OPERATIONS		5,311.22		6,104.11
Direct Taxes Paid		(2,245.68)		(1,629.30)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		3,065.54		4,474.81
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Deposits with Bank (original maturity more than three months)	5,789.62		(8,100.97)	
Interest Income	955.70		1,062.12	
Purchase of Property, Plant and Equipment	(3,758.45)		(2,104.71)	
Sale of Property, Plant and Equipment	11.15		186.48	
		2,998.02		(8,957.08)
NET CASH FLOW FROM/(USED IN) INVESTMENT ACTIVITIES		2,998.02		(8,957.08)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Interest Paid	(1,031.09)		(1,123.39)	
Payment for Buy back of Equity Shares	–		(3,408.85)	
Repayment of Long term Borrowings from Bank	(1,072.30)		(897.54)	
Repayment of Sales Tax Deferment Loan	(23.10)		(23.11)	
Repayment of Short Term Borrowings from Bank	(3,840.53)		–	
Repayment of Short Term Borrowings from Bodies Corporate	(50.00)		–	
Proceeds from Short Term Borrowings from Bank	–		3,359.84	
Proceeds from Short Term Borrowings from Bodies Corporate	–		80.00	
		(6,017.02)		(2,013.05)
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		(6,017.02)		(2,013.05)
Net Increase/(Decrease) in CASH AND CASH EQUIVALENTS (A+B+C)		46.54		(6,495.32)
Cash and Cash Equivalents as at beginning of the Year		195.32		6,690.64
Cash and Cash Equivalents as at the end of the year (Refer Note 12)		241.86		195.32

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

Note:

- Cash and Cash Equivalents consists of cash on hand and Bank balances in Current Account, Dividend Account and Short Term Deposits with original maturity of less than three months. The details of cash and cash equivalents as per note 12 of the balance sheet is as under:

(₹ In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
In current account	84.73	34.99
In Dividend account	145.77	145.77
In Fixed Deposits (having original maturity of less than 3 months)	0.22	0
Cash on hand	11.14	14.56
Total cash and cash equivalents	241.86	195.32

2. Reconciliation of Liabilities arising from Financing activities

(₹ In lakhs)

Particulars	As at March 31, 2018	Proceeds raised/ Adjustments	Repayment/ adjustments	As at March 31, 2019
Long Term Borrowings from Bank	4,067.44	–	(1,072.30)	2,995.14
Sales Tax Deferment Loan	92.43	–	(23.10)	69.33
Long Term maturities of finance lease	1.74	–	–	1.74
Short Term Borrowings from Bank	11,366.37	–	(3,840.53)	7,525.84
Short Term Borrowings from Bodies Corporate	80.00	–	(50.00)	30.00
Total	15,607.98	–	(4,985.93)	10,622.05

- The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard – 7 on Statement of Cash Flows.
- The Company has incurred ₹ 2.40 lakhs in cash on account of Corporate Social Responsibility (CSR) Expenditure during the year ended March 31, 2019 (Previous year ₹1.40 lakhs)

Notes to Financial Statements for the year ended March 31, 2019

1 Corporate Information

Deepak Industries Limited ('the company') is a public limited company incorporated and domiciled in India having its registered office in Kolkata in the State of West Bengal. The company is engaged in the business of manufacturing and selling of Industrial and Automobile gears of various capacities and generation of solar power. The Company's shares are listed on The Calcutta Stock Exchange Limited.

The financial statements for the year ended March 31, 2019 were approved for issue by the Board of Directors of the company on May 29, 2019 and are subject to the adoption by the Shareholders in the ensuing Annual General Meeting.

2 Statement of compliance and Recent Accounting Pronouncement

2.1 Statement of compliance

These financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 to the extent notified and applicable.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to when existing main accounting standard requires a change in the accounting policies hitherto in use.

2.2 Application of new and revised standards

(i) **Ind AS 115- Revenue from Contracts with Customers:** With effect from 1st April, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up method.

(ii) **Appendix B to Ind AS 21- "Foreign Currency Transactions and Advance Consideration and Ind AS 12- Income Taxes** have been revised with effect from 1st April, 2018.

The application of Ind AS 115 and revisions/amendments in other standards do not have any material impact on the financial statements.

2.3 Recent Accounting Pronouncements

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has issued Companies (Indian Accounting Standards) Amendment Rules, 2019 notifying Ind AS 116, Leases and Appendix C, 'Uncertainty over Income Tax Treatments' to Ind AS 12, 'Income Taxes', which are applicable with effect from financial period ending on or after April 1, 2019.

Standards issued but not yet effective:

(I) Ind As 116 - Leases

Ind AS 116 will affect the accounting of lessees primarily by removing the current distinction between operating and finance leases. This requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals over the period all lease contracts. An optional exemption exists for short-term and low-value leases.

The statement of profit and loss will also be affected because the expense in the earlier years of a lease is expected to be higher.

Presently, the Company is in the process of evaluating the impact that application of Ind AS 116 is expected to have on its financial statements.

(II) Appendix C, 'Uncertainty over Income Tax Treatments', to Ind AS 12, 'Income Taxes'

The appendix explains the recognition and measurement of deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

Presently, the Company is in the process of evaluating the impact that application of this appendix is expected to have on its financial statements.

3 Significant Accounting Policies

3.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments which are measured in terms of relevant Ind AS at fair value/ amortized costs at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

Notes to Financial Statements for the year ended March 31, 2019

3.2 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- a) Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- c) Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements and regularly reviews significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

3.3 Property Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition and comprises purchase price of assets or its construction cost including duties and taxes, inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. Interest on Borrowings utilised to finance the construction of qualifying assets are capitalised as part of cost of the asset until such time that the asset is ready for its intended use.

Parts of an item of Property, Plant and Equipment having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

Property, Plant and Equipment includes spare, stand by equipments and servicing equipments which are expected to be used for a period of more than twelve months and meet the recognition criteria of Plant, Property and Equipment. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of servicing and repairs and maintenance of property, plant and equipment are recognised in the statement of profit and loss when incurred.

Capital work in progress includes purchase price, import duty and any directly attributable cost of bringing the assets to their working condition, trial run expenses and interest attributable up to the date of installation. Such items are classified to the appropriate categories of Property, Plant and Equipment when gets completed and are ready for intended use.

3.4 Depreciation methods, estimated useful lives and residual value

Depreciation on Property, Plant and equipment commences when the assets are ready for their intended use.

Depreciation on Property, Plant and Equipment is provided as per the useful life specified under Schedule II of the Companies Act, 2013 on straight line method except at Rudrapur unit where depreciation is provided on written down value method. Subsequent additions to the cost of Property, Plant and Equipment are depreciated over the remaining life of mother asset.

Leasehold Land held under finance lease are depreciated on a straight line basis over their lease terms.

No depreciation is charged on Freehold land.

The estimated useful life of the tangible assets considered for providing depreciation are as follows:

Category	Useful Life in years
Factory Buildings	30
Other than factory Building	60
Plant and Equipment	15
Furniture and Fixtures	10
Vehicles	8-10
Office Equipment	5

The residual value of an item of Property, Plant and Equipment has been kept at 5 percent or less of the cost of the respective assets.

Notes to Financial Statements for the year ended March 31, 2019

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.5 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, cost of computer software packages are amortized over a period of 5 years on a straight line basis.

Amortisation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.6 Derecognition of Tangible and Intangible assets

An item of Property, Plant and Equipment and Other Intangible assets is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.7 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Any initial direct costs of the lessee are added to the amount recognised as an asset. Each lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities.

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless the lease arrangements are structured to increase in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.8 Impairment of Tangible and Intangible Assets

Tangible and Intangible assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

3.9 Financial Assets and Financial Liabilities

Financial Assets and Financial Liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial Liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

(i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash

Notes to Financial Statements for the year ended March 31, 2019

equivalents includes balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial Assets and Financial Liabilities measured at amortised cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the Financial instruments or, where appropriate, a shorter period.

(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

(v) Financial Assets or Liabilities at Fair value through profit or loss

Financial Instruments which do not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

(vi) Impairment of financial assets

A financial asset is assessed for impairment at each Balance Sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

(vii) Derecognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

3.10 Inventories

Inventories are valued at lower of the cost or estimated net realisable value. Cost of Inventories is ascertained on weighted average/FIFO basis. Materials and other supplies held for use in the production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost of inventory comprises of purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. Borrowing costs are not included in the value of inventories.

Inventories of scrap are valued at their respective net realisable value.

Notes to Financial Statements for the year ended March 31, 2019

3.11 Foreign Currency Transactions

Presentation currency

These financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the company.

Transactions and Balances:

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the statement of profit and loss.

3.12 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized but are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

3.14 Employee Benefits

Short term Employee benefits are accrued in the year services are rendered by the employees.

Provident and Family Pension Fund: In accordance with the provisions of the Employee Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the company are entitled to receive benefits with respect to provident fund, a defined contribution plan, in which both the company and employee contribute monthly to Provident Fund Scheme the Central Government/Trust at a determined rate. The Company's contribution is charged off to the Statement of Profit and Loss.

Gratuity: Employee benefits under defined benefit plans are determined at the close of each year at the present value of the amount payable by actuarial valuation techniques using the projected unit credit method. Contributions under the scheme for defined benefit under the Payment of Gratuity Act, 1972, is determined on the basis of actuarial valuation and are funded to Deepak Industries Gratuity Fund and are recognized as year's expenditure. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income. Remeasurements are not classified to the statement of Profit and Loss in subsequent periods. Other costs are recognized in the Statement of Profit or Loss. Bifurcation of liabilities into Current and Non current are done based on actuarial valuation report.

Leave Encashment Benefits: Leave encashment benefits are payable to employees while in service, retirement and on death while in service or on termination of employment. With respect to accumulated leaves outstanding at the year-end, liability for leave are accounted for on the basis of actuarial valuation at the balance sheet date. The present value of such obligation is determined by the projected unit credit method as at the Balance Sheet date through which the obligations are settled. The resultant actuarial gains or losses on change in present value of defined benefit obligation or change in return of the plan assets is recognized as an income or expense in the Statement of Profit and Loss. Bifurcation of liabilities into Current and Non-current are done based on actuarial valuation report.

Notes to Financial Statements for the year ended March 31, 2019

3.15 Revenue Recognition

a. Revenue from Operations

Revenue is measured based on the considerations specified in a contract with a customer and excludes amounts collected on behalf of third parties. The revenue from sales is recognised when control over a product or service has been transferred and /or products/services are delivered/provided to the customers. The delivery occurs when the product has been shipped or delivered to the specific location as the case may be and the customer has either accepted the products in accordance with contract or the company has sufficient evidence that all the criteria for acceptance has been satisfied. Returns, discounts and rebates collected, if any, are deducted there from sales.

Sale of electricity is accounted for on delivery of electricity to grid/ Customers .

Other Operating Revenue-Export Benefits :

Export benefits arising on account of entitlement for duty free imports are accounted for through import of materials. Other export benefits are accounted for as and when the ultimate realisability of such benefits are established

b. Other Income

Interest, Dividend and Claims :

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted for as and when admitted or realised. Interest on overdue bills are accounted for on certainty of realisation.

3.16 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets.

A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

3.17 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets include Minimum Alternative Tax (MAT) measured 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 and such benefit can be measured reliably and it is probable that the future economic benefit associated with same will be realized.

3.18 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.19 Segment Reporting

Operating segments are identified and reported taking into account the different risk and return, organisation structure and internal reporting system.

Notes to Financial Statements for the year ended March 31, 2019

4 Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the Balance Sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

4.1 Depreciation / Amortization and Impairment on Property, Plant and Equipment / Intangible assets.

Property, Plant and Equipment and Intangible assets are depreciated/ amortized on Straight Line Basis/Written Down Value Basis over the estimated useful lives (or lease term, if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation assets recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted.

4.2 Arrangements containing leases and classification of leases

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

4.3 Impairment allowances on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

4.4 Income taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

4.5 Defined benefit obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.6 Provisions and Contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

5. Property, Plant and Equipment

Particulars	Freehold Land	Leasehold Land (Refer Note No. 5.1 and 37.1)	Factory Building	Plant and Equipment	Furniture and Fixtures	Vehicles (Refer Note No. 5. 2)	Office Equipment	Total
(A) Gross Carrying Value								
As at March 31, 2017	1,994.51	119.24	1,111.03	12,943.77	62.73	149.64	108.66	16,489.58
Addition	–	–	–	1,700.23	3.20	37.94	63.91	1,805.28
Disposals/Adjustments	–	–	–	102.07	–	4.79	–	106.86
As at March 31, 2018	1,994.51	119.24	1,111.03	14,541.93	65.93	182.79	172.57	18,188.00
Addition	–	–	–	4,286.52	5.92	55.48	30.42	4,378.34
Disposals/Adjustments	–	–	–	5.43	–	8.21	–	13.64
As at March 31, 2019	1,994.51	119.24	1,111.03	18,823.02	71.85	230.06	202.99	22,552.70
(B) Accumulated Depreciation								
As at March 31, 2017	–	1.49	56.75	2,030.73	9.96	23.83	25.39	2,148.15
Charge for the period	–	1.49	54.15	2,079.35	9.19	25.09	29.89	2,199.16
Disposals/Adjustments	–	–	–	71.08	–	1.33	–	72.41
As at March 31, 2018	–	2.98	110.90	4,039.00	19.15	47.59	55.28	4,274.90
Charge for the period	–	1.49	51.80	2,009.25	9.42	28.18	37.05	2,137.19
Disposals/Adjustments	–	–	–	0.61	–	5.14	–	5.75
As at March 31, 2019	–	4.47	162.70	6,047.64	28.57	70.63	92.33	6,406.34
(C) Net Carrying Amount (A–B)								
As at March 31, 2018	1,994.51	116.26	1,000.13	10,502.93	46.78	135.20	117.29	13,913.10
As at March 31, 2019	1,994.51	114.77	948.33	12,775.38	43.28	159.43	110.66	16,146.36

- 5.1 Depreciation with respect to Leasehold Land represent proportionate amount amortised over the period of lease on a straight line basis.
- 5.2 Includes ₹174.30 Lakhs (March 31, 2018: ₹ 132.49 lakhs) acquired on Hire Purchase basis and under continued hire purchase agreement. Present liability for the same is ₹ 68.45 Lakhs (March 31, 2018: ₹ 61.55 lakhs) out of which ₹ 29.85 Lakhs (March 31, 2018: ₹ 28.70 lakhs) is payable within one year.
- 5.3 Refer Note No. 18.1 and 23.1 to financial statement in respect of charge created against borrowings.

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

6 Intangible Assets

Particulars	Computer Software	Total
(A) Gross carrying value		
As at March 31, 2017	96.16	96.16
Addition	59.61	59.61
Disposals/Adjustments	-	-
As at March 31, 2018	155.77	155.77
Addition	-	-
Disposals/Adjustments	-	-
As at March 31, 2019	155.77	155.77
(B) Accumulated Amortisation		
As at March 31, 2017	20.54	20.54
Charge for the period	36.47	36.47
Disposals/Adjustments	-	-
As at March 31, 2018	57.01	57.01
Charge for the period	42.26	42.26
Disposals/Adjustments	-	-
As at March 31, 2019	99.27	99.27
(C) Net Block (A-B)		
As at 31st March 2018	98.76	98.76
As at 31st March 2019	56.50	56.50

7. Non-current Investments

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Investment in Preference Shares of Body Corporate Designated at Amortised Cost, unquoted			
50,00,000 Nos (March 31, 2018: 50,00,000 Nos) 3% Non-Convertible Non-cumulative Redeemable Preference Share of ₹ 10/- each fully paid up of M/s. Brua Hydrowatt Private Limited		100.85	91.04
		100.85	91.04

7.1 Aggregate amount of unquoted Investment 100.85 91.04

7.2 These Preference shares will have the maximum term of 20 years from the date of allotment (i.e. from 21st October 2014 for first 2000000 Preference Shares, 19th November 2014 for next 2000000 Preference Shares and 27th November 2014 for remaining 1000000 Preference Shares). However, these shares can be redeemed earlier at the option of the Company but not before 3 years from the date of allotment.

7.3 Refer Note 46 for information about Fair Value Measurement.

7.4 Particulars of investments as required in terms of section 186 (4) of the Companies Act, 2013, have been disclosed under note no. 7 above.

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

8. Other Non Current Financial Assets

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)			
At Amortised Cost			
Security Deposits			
Considered Good		184.44	109.33
Considered Doubtful		0.88	1.41
Less : Impairment allowances for doubtful deposits	8.1	0.88	1.41
Fixed Deposit with bank (having maturity more than one year)	8.2	2.10	-
Interest Accrued on Deposits		0.08	-
		186.62	109.33

8.1 Movement of Impairment allowances for doubtful deposits

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Balance as at the beginning of the year		1.41	1.41
Recognised/(Reversed) during the year		(0.53)	-
Balance at the end of the year		0.88	1.41

8.2 Includes amount kept as lien against:

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Bank Guarantee/Letter of credit		2.10	-

9. Other Non-current Assets

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Capital Advance		1,074.29	1,005.55
Advance Tax including Tax Deducted at Source (Net of provisions)		-	181.56
Balance with Government Authorities		-	1.56
Deferred loss on fair valuation of financial instrument		318.65	364.62
		1,392.94	1,553.29

10. Inventories (Valued at lower of cost or Net Realisable Value)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Raw Materials	10.1	2,539.51	2,839.41
Work in Progress		2,942.76	1,237.24
Finished Goods	10.1	1,312.66	1,509.80
Stores and Spares		1,507.75	1,320.90
Scraps		1.57	1.95
		8,304.25	6,909.30

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
10.1 Includes goods in transit in respect of			
-Finished Goods		8.50	-
-Raw Material		16.01	16.59
10.2 Cost of inventories recognised as expense during the year		43,613.94	33,660.12

10.3 Refer Note No. 18.1 and 23.1 to financial statement in respect of charge created against borrowings.

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

11. Current- Trade Receivables

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Trade Receivables-Unsecured		10,762.36	9,658.47
Less: Allowance for bad and doubtful trade receivables	11.2	153.13	153.13
		10,609.23	9,505.34

11.1 Trade receivables are non-interest bearing and are generally on credit terms of 30 to 90 days. The ageing of trade receivables (Gross) are as follows:

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Within Credit Period		8,243.92	6,643.45
1-180 days past due		1,037.05	1,507.74
More than 180 days past due		1,481.39	1,507.28
Total		10,762.36	9,658.47

11.2 Movement of Impairment allowances for bad and doubtful trade receivables

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Balance as at the beginning of the year		153.13	153.13
Recognised/(Reversed) during the year		–	–
Balance at the end of the year		153.13	153.13

11.3 Refer Note No.18.1 and 23.1 to financial statement in respect of charge created against borrowings.

12. Cash and Cash Equivalents

(As certified by the management)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Balances with banks			
In current account		84.73	34.99
In Dividend account	12.1	145.77	145.77
In Fixed Deposits (having original maturity of less than 3 months)		0.22	–
Cash on hand		11.14	14.56
		241.86	195.32

12.1 Represents amount credited by Bank with respect to cancelled/unencashed demand draft issued to shareholders in lieu of dividend declared in earlier years.

13. Other Bank Balances

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Fixed deposits with Banks (having maturity of more than 3 months and less than 12 months)	13.1	8,517.40	14,307.02
		8,517.40	14,307.02

13.1 Includes amount kept as lien against:

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Fixed deposits with Banks (having maturity of more than 3 months and less than 12 months)	13.1	8,517.40	14,307.02
		8,517.40	14,307.02

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

13.1 Includes amount kept as lien against:

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Borrowings		–	3,200.00
Bank Guarantee/Letter of credit		2.70	4.46
Sales Tax/ VAT Authority		0.50	0.50

14. Current- Other Financial Assets

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)			
At Amortised cost			
Security Deposit			
Considered good		52.31	45.19
Considered doubtful		0.53	–
Less : Impairment allowances for doubtful deposits	14.1	0.53	–
		52.31	45.19
Interest accrued on deposits		273.18	562.00
Advance to Employees		18.93	22.15
		344.42	629.34

14.1 Movement of Impairment allowances for doubtful Deposits

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Balance as at the beginning of the year		–	–
Recognised/(Reversed) during the year		0.53	–
Balance at the end of the year		0.53	–

15. Other Current Assets

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Advances other than capital advances			
Advances against goods and services		432.47	434.67
Balances with government authorities		255.48	130.66
Prepaid expenses		20.76	40.48
Deferred loss on fair valuation of financial instruments		22.60	–
		731.31	605.81

16. Equity Share Capital

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Authorised			
53,00,000 Equity Shares of ₹ 10/- each (March 31, 2018: 53,00,000 Nos)		530.00	530.00
20,000 Redeemable Cumulative Preference Shares of ₹ 100/- each (March 31, 2018: 20,000 Nos)		20.00	20.00
Issued, Subscribed and Paid-up:			
39,56,433 Equity Shares of ₹ 10/- each (March 31, 2018: 39,56,433 Nos)		395.64	395.64
		395.64	395.64

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

16.1 The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

16.2 The reconciliation of the number of Equity Shares and the amount of Equity Share Capital outstanding:

Particulars	Note No.	Number of Equity Shares held	Equity Share Capital (Amount in Lakhs)
Balance as at April 1,2017		50,56,063	505.61
Changes during the year	16.2.1	(10,99,630)	(109.97)
Balance as at March 31,2018		39,56,433	395.64
Changes during the year		-	
Balance as at March 31,2019		39,56,433	395.64

16.2.1 The aggregate number of equity shares bought back in immediately preceding last five years ended March 31 2019: 1341662 equity shares (previous period of five years ended March 31 2018: 242032 equity shares).

16.3 The Company does not have any Holding Company/Ultimate Holding Company.

16.4 Details of Equity Shareholders holding more than 5% equity shares:

Particulars	Note No.	No. of Equity Shares held	
		As at March 31, 2019	As at March 31, 2018
Nandini Daga		8,70,625	8,70,625
Jalpaiguri Holdings Private Limited		6,18,312	6,18,312
Asha Devi Daga		6,04,806	6,04,806
Coplama Products Private Limited		5,24,600	5,24,600
Yashwant Kumar Daga		5,24,313	5,24,313
Pradip Kumar Daga		2,07,700	2,07,700
Navin Agro Industries Limited		-	2,00,525

17. Other Equity

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Capital Reserve	17.2	35.36	35.36
Capital Redemption Reserve	17.3	134.17	134.17
Retained earnings	17.4	26,373.47	21,698.16
		26,543.00	21,867.69

Note

17.1 Refer Statement of Changes in Equity for movement in balances of reserve.

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

17.2 Capital Reserve

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Government Grant Received		35.36	35.36

17.3 Capital Redemption Reserve

Capital Redemption Reserve is created consequent to buy back of equity shares. This reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.

17.4 Retained Earnings

Retained earnings generally represent the undistributed profit/amount of accumulated earnings of the company and includes remeasurement gain/losses on defined benefit obligations. This includes ₹ 77.42 Lakhs (March 31, 2018: ₹ 77.42 Lakhs) which is not available for distribution as these are represented by changes in carrying amount of Property, Plant and Equipment being measured at fair value in earlier years.

18. Borrowings

Particulars	Note No.	As at March 31, 2019		As at March 31, 2018	
		Non Current	Current	Non Current	Current
At Amortised Cost					
Secured					
Term Loan					
From Banks	18.1	2,201.94	793.20	2,989.24	1,078.20
Unsecured					
Sales Tax soft loan	18.2	46.22	23.11	69.32	23.11
Finance Lease Obligation					
Liability for Lease	18.3	1.74	–	1.74	–
		2,249.90	816.31	3,060.30	1,101.31

18.1 Term loan is secured by way of 1st hypothecation charge of on the entire tangible fixed assets of the company located at Kolkata and Rudrapur unit and also on plant and machinery purchased out of term loan for Kolkata, Faridabad and Bhagola unit and extension of equitable mortgage on factory land and buildings at Kolkata and Rudrapur unit of the company and is collaterally secured by 2nd hypothecation charge on entire current assets (both existing and future) of the company. Rate of interest being 1.15% above 1 year MCLR and is repayable at unamortised cost as follows:

Financial Year	Amount in ₹ Lakhs
2019-2020	793.20
2020-2021	1,003.20
2021-2022	801.00
2022-2023	406.00
Total	3,003.40

18.2 Unsecured Sales tax soft loan at unamortised cost outstanding as on March 31, 2019 carries interest rate 9.25% with a rebate of 2% on timely repayment and is repayable as follows:

Financial Year	Amount in ₹ Lakhs
2019-2020	23.11
2020-2021	23.11
2021-2022	23.11
Total	69.33

18.3 As per the lease agreement, the Company is required to pay annual lease rental of ₹ 0.19 Lakhs till the lease period which is 90 years and contains renewal option. The finance lease obligation represents the present value of annualized lease payment over the lease period amounting to ₹ 1.74 lakhs (March 31 2018: ₹ 1.74 Lakhs)

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

19. Other Non-Current Financial Liabilities

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
At Amortised Cost			
External Development Charges		400.28	400.28
Hire Purchase Liability - Secured	19.1	38.60	32.85
		438.88	433.13

19.1 Secured by hypothecation of vehicles acquired there against. Current maturities of such Hire Purchase Liability is ₹ 29.85 Lakhs (March 31, 2018 Rs. 28.70 lakhs)

20. Non Current Provision

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits	45	179.19	164.55
		179.19	164.55

21. Deferred Tax Liabilities

The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet:

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Deferred tax assets		168.53	177.82
Deferred tax liabilities		(1,273.22)	(1,260.60)
Net Deferred Tax Assets/(Liabilities)		(1,104.69)	(1,082.78)

21.1 Components of Deferred tax Assets/ (Liabilities) as at March 31, 2019 are given below:

Particulars	As at March 31, 2018	Charge/(credit) recognised in P/L	Charge/(Credit) recognised in Other Comprehensive Income	As at March 31, 2019
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	(13.69)	(6.31)	–	(7.38)
Expense allowed on payment basis	191.51	15.60	–	175.91
Total Deferred Tax Assets	177.82	9.29	–	168.53
Deferred Tax Liabilities:				
Timing difference with respect to Property, Plant and Equipment and Intangible assets	1259.27	10.33	–	1,269.60
Remeasurement of defined benefit obligations	0.62	–	3.00	3.62
Others	0.71	(0.71)	–	–
Total Deferred Tax Liabilities	1260.60	9.62	3.00	1,273.22
NET DEFERRED TAX ASSETS/ (LIABILITIES)	(1,082.78)	18.91	3.00	(1,104.69)

21.2 Components of Deferred tax Assets/ (Liabilities) as at March 31, 2018 are given below:

Particulars	As at April 1, 2017	Charge/ (Credit) recognised in P/L	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2018
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	(6.29)	7.40	–	(13.69)
Expense allowed on payment basis	189.48	(2.03)	–	191.51
MAT Credit Entitlement	275.50	275.50	–	–
Total Deferred Tax Assets	458.69	280.87	–	177.82
Deferred Tax Liabilities:				
Timing difference with respect to Property, Plant & Equipment and Intangible assets	1374.96	(115.69)	–	1,259.27
Remeasurement of defined benefit obligations	17.68	–	(17.06)	0.62
Others	1.16	(0.45)	–	0.71
Total Deferred Tax Liabilities	1393.80	(116.14)	(17.06)	1,260.60
NET DEFERRED TAX ASSETS/ (LIABILITIES)	(935.11)	164.73	(17.06)	(1,082.78)

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

22. Other Non-current Liabilities

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Liability for Operating Lease		0.51	1.83
		0.51	1.83

23. Current Borrowings

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Secured			
From Banks			
Working Capital Loan Repayable on demand	23.1	7,525.84	8,166.37
Unsecured			
Loan from Bodies Corporate		30.00	80.00
Other Short term Borrowings(secured)(*)		–	3,200.00
		7,555.84	11,446.37

23.1 Secured on 1st pari-passu basis by way of hypothecation charge on entire current assets including Stocks and Receivables of the company and is collaterally secured on 2nd pari-passu basis by way of hypothecation on the entire movable tangible fixed assets of the company (both existing and future) and also hypothecation on all mortgaged immovable properties (factory land and building) of the company located at Kolkata, Faridabad and Rudrapur.

(*)From a bank (secured against pledge of fixed deposits receipts) which has since been repaid.

24. Trade Payables

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprise and small enterprises	24.1	471.14	–
Total outstanding dues of creditors other than micro enterprise and small enterprises		4,155.54	5,407.90
	24.2	4,626.68	5,407.90

24.1 Disclosure of sundry creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (the Act). Disclosure requirement under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given below:

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
(a) The Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		471.14	–

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

(b) The amount of the interest paid by the buyer in terms of section 16 of MSMED Act (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 the 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 MSMED 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 enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED, Act 2006.	-	-

24.2 Payment towards trade payables is made as per the terms and conditions of the contract of purchase orders. The average credit period on purchases is 30 to 45 days.

25. Current- Other Financial Liabilities

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Financial Liabilities at amortised cost			
Current maturities of Long-term debt	18	793.20	1,078.20
Current maturities of Hire Purchase Liability	19.1	29.85	28.70
Current maturities of Sales Tax Soft Loan	18	23.11	23.11
Liability for capital goods			
Total outstanding dues of micro enterprise and small enterprises	25.1		
Total outstanding dues of Creditors other than micro enterprise and small enterprises		686.20	434.87
Liability relating to employees		195.15	144.37
Unpaid Dividend	12.1	145.77	145.77
Interest Accrued and due		28.03	38.54
Interest Accrued but not due		0.22	0.53
		1,901.53	1,894.09

25.1 To the extent of information available to the company, there are no outstanding balances with suppliers for capital goods as defined under "Micro, Small and Medium Enterprise Development Act, 2006" (the Act).

26. Current- Other Liabilities

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Statutory dues (includes Goods and Services Tax, PF, ESI, Sales Tax/VAT, CST etc.)		392.45	1,049.54
Advance from Customers		936.12	1,140.73
Others		78.73	155.68
		1,407.30	2,345.95

27. Provisions

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits	45	221.67	272.78

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

		221.67	272.78
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28. Current Tax Liabilities

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Provisions for Income Tax (Net of Advance Tax)		24.98	—
		24.98	—

29. Revenue From Operations

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of Products		51,314.54	40,776.47
Other Operating Revenue			
Sale of Scrap		627.32	440.86
Sale of Service		14.74	15.45
Export Incentives		37.75	—
		51,994.35	41,232.78

29.1 Disaggregation of Revenue

Revenue based on Business Segment

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Automobile gears	43,898.76	33,923.45
Industrial gears	7,177.36	7,023.20
Solar power	918.23	286.13
Total	51,994.35	41,232.78

Revenue based on Geography

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Domestic	51,092.40	40,577.72
Export	901.95	655.06
Total	51,994.35	41,232.78

29.2 Goods and Service Tax ("GST") has been implemented with effect from 1st July, 2017 and therefore, revenue from operations for the year ended 31st March 2019 is net off GST. Revenue from Operations and expenses for the period 1st April 2017 to 30th June 2017 included under the year ended 31st March 2018 being inclusive of Excise Duty are therefore not comparable.

30. Other Income

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income			
On Bank Deposits and others		654.02	1,051.49
On Financial assets measured at amortised costs		11.80	10.63

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

Other non-operating income (net of expenses directly attributable to such income)			
Profit on sale of Property, Plant and Equipment		3.26	152.03
Liabilities and Unclaimed Balances written back		214.19	117.60
Insurance and Other Claims		0.13	-
Gain on Foreign Currency transactions and translations		2.29	3.91
Cash Discount received		220.95	237.56
Miscellaneous Income		63.93	61.85
		1,170.57	1,635.07

31. Cost of Materials Consumed

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Inventories		2,839.41	3,005.79
Add : Purchase		24,819.60	17,915.63
		27,659.01	20,921.42
Less: Closing Inventories		2,539.51	2,839.41
		25,119.50	18,082.01

32. Changes in Inventories of finished goods, Stock-in-Trade and work-in-progress

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Stock			
Finished Goods		1,509.80	1,298.39
Work in Progress		1,237.24	950.11
Scrap		1.95	2.85
		2,748.99	2,251.35
Less: Closing Stock			
Finished Goods		1,312.66	1,509.80
Work in Progress		2,942.76	1,237.24
Scrap		1.57	1.95
		4,256.99	2,748.99
(Increase)/ Decrease in Inventories of finished goods, Stock-in-Trade and work-in-progress		(1,508.00)	(497.64)

33. Employee Benefits Expense

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Wages		5,356.82	4,716.40
Contribution to Provident and Other Funds	45	342.00	329.94
Staff Welfare Expenses		212.22	188.84
		5,911.04	5,235.18

34. Finance Costs

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense		997.59	1,079.41
Interest Expense on Finance Lease		0.19	0.19
Interest expenses on Income tax		22.22	-
Other Borrowing Costs		0.27	38.85
		1,020.27	1,118.45

35. Depreciation and amortisation expense

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on tangible assets	5	2,137.19	2,199.16
Amortisation on intangible assets	6	42.26	36.47
		2,179.45	2,235.63

36. Other Expenses

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of Stores, Spare Parts and Packing Materials		4,625.54	3,186.64
Power and Fuel		2,276.66	1,797.19
Job Charges		2,614.23	2,034.31
Repairs and Maintenance to Buildings		60.74	66.23
Repairs and Maintenance to Machinery		1,160.26	1,274.32
Solar Power		46.09	48.87
Excise Duty paid and on stock		–	907.78
Brokerage and Commission on Sales		59.16	46.99
Transport and Forwarding Expenses		727.47	601.57
Rent	37.2	124.65	93.75
Auditors' Remuneration	36.1	16.75	13.25
Amortisation of deferred portion of Financial instruments		23.41	23.37
Miscellaneous Expenses	36.2	1,589.07	1,545.18
		13,324.03	11,639.45

36.1 Details of Auditors' Remuneration

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit Fees		10.00	10.50
Certification and other services		6.75	2.75
	36.1.1	16.75	13.25

36.1.1 Includes Payment to Previous Auditors

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit Fees		–	0.50
Certification and other services		–	–
		–	0.50

36.2 Includes ₹ 2.40 lakhs (March 31, 2018 : 1.40 lakhs) on account of Corporate Social Responsibility (CSR). Gross amount required to be spent by the company during the year ₹ 62.63 lakhs (March 31, 2018 : ₹ 47.09 lakhs). Also refer Note 36.2.1 and Note 36.2.2

36.2.1 Amount spent during the year on:

Particulars	In Cash	Total yet to be paid in cash	Total
Construction/acquisition of any assets	Nil	Nil	Nil
On purpose other than (i) above	2.40	0.00	2.40

36.2.2 The head of expenses under which the company has incurred CSR expenditure during the current and previous year is on Health Care Services.

37. Leases

37.1 Finance Lease disclosures

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

The leasehold land is located at Rudrapur, Uttarakhand and has been classified under finance lease having lease term for a period of 90 years and contains renewal option. The net carrying amount of the leasehold land is ₹114.77 lakhs (March 31, 2018 : ₹ 116.26 lakhs).

Finance Lease Liabilities	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Not later than one year	0.19	0.19	0.17	0.17
Later than one year and not later than five years	0.94	0.94	0.63	0.63
Later than five years	13.35	13.54	0.94	0.94

37.2 Operating Lease disclosures

The Company has certain operating lease arrangements for office accommodations etc. with tenure ranging from 11 months to 6 years etc. Term of certain lease arrangements include escalation clause for rent on expiry of 36 months from the commencement date of such lease and deposit / refund of security deposit etc. There are no restrictions imposed by lease agreements. There are no sub-lease and all the lease are cancellable in nature. Expenditure incurred on account of rent during the year has been recognized in the Statement of Profit and Loss amounting to Rs. 124.65 lakhs (March 31, 2018 : Rs. 93.75 lakhs).

38. Tax Expenses-Current Tax

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Provision for current tax		2,430.00	1,624.74
		2,430.00	1,624.74

38.1 Components of Tax Expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax	2,430.00	1,624.74
Deferred Tax	18.91	164.73
Total Tax expense recognised in the Statement of Profit and Loss	2,448.91	1,789.47

38.2 Reconciliation of Income tax expense for the year with accounting profit is as follows :

Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows :

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	7,118.63	5,054.77
Income tax expense calculated at 34.944% (34.608%)	2,487.53	1,749.35
Add: Effect of Expenses that are not deductible in determining Taxable Profit		
Effect of Temporary differences on account of Tax of earlier periods	—	68.85
Expenses not allowed for Tax Purposes	8.60	—
Certain expenses to be allowed on payment basis	—	27.98
Effect of Fair Valuation of Financial Assets and Financial Liabilities	—	7.40
Less : Effect of expense/income that are deductible/not taxable in determining taxable profit		
Effect of Temporary differences on account of Tax of earlier periods	9.48	—
Expenses of earlier year allowed on payment basis	27.23	—
Expenses not allowed for Tax Purposes	—	52.86
Effect of other adjustments	10.51	11.25

Notes to Financial Statements for the year ended March 31, 2019

Income tax expense recognised in the statement of profit and loss	2,448.91	1,789.47
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The tax rate used for reconciliations above is 30% as applicable for corporate entities on taxable profits under the Indian tax laws.

38.3 Income tax recognized in Other Comprehensive income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred tax charge on		
Remeasurement gains of defined benefit obligation	3.00	(17.06)
Income tax recognized in Other Comprehensive income	3.00	(17.06)
Bifurcation of the income tax recognized in Other comprehensive income into :		
Items that will be reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss	3.00	(17.06)

38.4 Components of Other Comprehensive Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Items that will not be reclassified to statement of profit or loss		
Remeasurement of defined benefit obligation (net of tax)	5.59	(32.24)
	5.59	(32.24)

39. Contingent Liabilities and Commitments (to the extent not provided for)

Contingent Liabilities

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as Debt			
Central Excise/Service Tax/Sales tax matter under appeal		305.51	352.90
Income Tax matters under appeal		433.13	279.28
Interest on External Development Charges		22.03	18.98
Other Claims not acknowledged as debt		23.06	23.06

39.1 The Company's pending litigation comprises of claim against the Company and proceeding pending tax/statutory/ Government authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed the contingent liabilities, where applicable, in its Financial Statements. The Company does not expects the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of above are dependent upon the outcome of judgments / decisions.

Capital and Other Commitments

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Capital Commitment:			
Estimated amount of contracts remaining to be executed on capital account and not provided for: net of advance of Rs. 1074.29 lakhs (March 31, 2018: Rs. 1005.55 Lakhs)		2,877.41	3,243.55
Other Commitment:			
Future export obligation/commitments under import of capital goods at concessional rate of Custom Duty.		2,383.42	1,511.69

40 Disclosure as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities and Contingent Assets

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, unresolved claims remains outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

41. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows :

(A) Names of related parties and nature of relationship

(i) Key Managerial Personnel and their relatives

- (a) Mr. Pradip Kumar Daga, Chairman cum Managing Director
- (b) Mr. Yashwant Kumar Daga, Vice-Chairman cum Joint Managing Director
- (c) Anand Prasad Agarwala-Independent Director
- (d) Meera Dokania-Independent Director
- (e) Sujit Chakravorti-Independent Director
- (f) Smt. Asha Devi Daga-Relative of the Director
- (g) Smt. Nandini Daga-Relative of the Director
- (h) Niraj Agarwala-Relative of the Director
- (i) Amritesh Daga -Relative of the Director

(ii) Enterprises over which any person described in (i) above is able to exercise significant influence and with whom the Company has transaction during the year.

- (a) Deepak Spinners Limited
- (b) Brua Hydrowatts Private Limited
- (c) Longview Tea Company Limited
- (d) Coplama Products Private Limited
- (e) Yashwant Kumar Daga (HUF)
- (f) Pradip Kumar Daga (HUF)

(iii) Post Employment Benefit Plan

- (a) Deepak Industries Provident Fund
- (b) Deepak Industries Gratuity Fund

(iv) Aggregate amount of transactions with related parties:

(₹ In lakhs)

Nature of Transaction	Note No.	Name of Related Party	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Amount paid upon buyback of Equity shares		Longview Tea Company Limited	–	111.00
		Coplama Products Private Limited	–	92.79
		Asha Devi Daga	–	824.60
		Nandini Daga	–	623.10
		Yashwant Kumar Daga (HUF)	–	77.50
		Pradip Kumar Daga (HUF)	–	860.63
(b) Remuneration (included in Employee Benefits Expense)		Yashwant kumar Daga	77.28	69.89
(c) Sitting Fees		Anand Prasad Agarwala	0.58	0.66
		Meera Dokania	0.54	0.62
		Sujit Chakravorti	0.50	0.58

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

Nature of Transaction	Note No.	Name of Related Party	For the year ended March 31, 2019	For the year ended March 31, 2018
(d) Commission		Anand Prasad Agarwala	3.50	2.75
		Meera Dokania	3.50	2.75
		Sujit Chakravorti	3.50	2.75
(e) Professional Fees		Anand Prasad Agarwala	0.92	0.17
		Niraj Agarwala	0.39	0.06
(f) Advance given and subsequently recovered		Sunil Ghiya	10.90	7.75
(g) Sale of Solar Power		Deepak Spinners Limited	192.97	265.92
(h) Office Expenses (Rent, Telephone, Electricity, etc.)		Coplama Products Pvt. Ltd	2.21	1.94
(i) Contribution to Employees Provident Fund Trust		Deepak Industries Provident Fund	10.77	10.62
(j) Contribution to Gratuity Trust		Deepak Industries Gratuity Fund	120.77	42.64
(k) Club Membership Fees		Yashwant Kumar Daga	0.54	0.36
(l) Scholarship charges		Amritesh Daga	84.88	33.08

(v) Balance of related parties are as follows :

Nature of Transaction	Note No.	Name of Related Party	As at March 31, 2019	As at March 31, 2018
a) Salary Payable		Yashwant kumar Daga	4.69	–
(b) Closing value of Investment in Non Cumulative non Convertible Redeemable Preference Share		Brua Hydrowatts Private Limited	100.85	91.04
(c) Balance Receivable		Deepak Spinners Limited	20.84	21.09
(d) Payables to Trust created for Post Employment Benefit Plans		Deepak Industries Provident Fund	1.80	3.62
		Deepak Industries Gratuity Fund	164.72	213.21

(vi) The remuneration of directors and other members of key management personnel during the year are as follows:

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Short-term employee benefits		77.28	69.89
Post-employment benefits*		–	–
*Excluding contribution to gratuity and provident fund			

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. The Company has not provided any guarantee to related parties towards their borrowing facilities. For the year ended March 31, 2019, the Company has not recorded any impairment allowances in respect of receivables relating to amounts owed by related parties (March 31, 2018 Rs. NIL). This assessment is undertaken each financial year through examining the

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

financial position of the related party and the market in which the related party operates.

(vii) The above related parties information is as identified by the management and relied upon by the auditor.

42. Segment Information

42.1 Basis for segmentation

The Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments. The CODM of the Company evaluates the segments based on their revenue growth, operating income and return on capital employed. No operating segments have been aggregated in arriving at the business segment of the Company.

Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance. The Company has identified three business segments viz. Automobile Gears, Industrial Gears and Solar Power and presented the same in the Financial Statements on a consistent basis. Revenues and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment Assets and Segment Liabilities represents assets and liabilities of respective segments. Investments, Tax related assets/liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Reportable Segment	Description of products/services
Automobile Gears	The segment is engaged in manufacturing of tractor and Automobile gears and Shaft, Moped/Motor Cycle parts.
Industrial Gears	The segment is engaged in manufacturing of helical gears, worm gear boxes and geared motors.
Solar Power	The segment is engaged in generation and distribution of electricity.

42.2 Information about reportable segments

The following is an analysis of revenue and results from operations by reportable segments:

Particulars	Automobile Gear		Industrial Gears		Solar Power		Unallocated Corporate		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Revenue										
Sale and services to external customer	43,898.76	33,923.45	7,177.36	7,023.20	918.23	286.13	-	-	51,994.35	41,232.78
Revenue from Operations (Gross)	43,898.76	33,923.45	7,177.36	7,023.20	918.23	286.13	-	-	51,994.35	41,232.78
Segment Results	6,891.86	5,678.00	(354.03)	(969.64)	452.37	(158.69)	-	-	6,990.20	4,549.67
Unallocated Corporate Expenses(Net of unallocable income)	-	-	-	-	-	-	(1,148.70)	(1,623.55)	(1,148.70)	(1,623.55)
Finance Costs	-	-	-	-	-	-	1,020.27	1,118.45	1,020.27	1,118.45
Profit Before Tax	6,891.86	5,678.00	(354.03)	(969.64)	452.37	(158.69)	128.43	505.10	7,118.63	5,054.77
Tax Expenses	-	-	-	-	-	-	2,448.91	1,789.47	2,448.91	1,789.47
Profit After Tax	6,891.86	5,678.00	(354.03)	(969.64)	452.37	(158.69)	(2,320.48)	(1,284.37)	4,669.72	3,265.30
Segment Assets	35,977.73	36,034.28	7,947.32	9,032.03	2,117.59	2,505.25	-	-	46,042.64	47,571.56
Unallocated Corporate Assets	-	-	-	-	-	-	607.17	801.46	607.17	801.46
Total Assets	35,977.73	36,034.28	7,947.32	9,032.03	2,117.59	2,505.25	607.17	801.46	46,649.81	48,373.02
Segment Liabilities	5,751.16	10,183.56	12,451.08	14,293.29	140.92	292.95	-	-	18,343.16	24,769.80
Unallocated Corporate Liabilities	-	-	-	-	-	-	1,368.01	1,339.89	1,368.01	1,339.89
Total Liabilities	5,751.16	10,183.56	12,451.08	14,293.29	140.92	292.95	1,368.01	1,339.89	19,711.17	26,109.69
Capital Expenditure	3,936.40	2,065.24	4.19	96.98	-	-	0.42	0.51	3,941.04	2,162.73
Depreciation/Amortisation	975.39	999.92	813.85	845.23	389.04	389.04	1.17	1.44	2,179.45	2,235.63
Non Cash Expenses other than depreciation and amortisation	-	-	-	-	-	-	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

Finance income and costs and fair value gains and losses on financial instruments are not allocated to individual segments as the underlying instruments are managed at company level. Current Taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed at company level.

Capital Expenditure consists of addition to Property, Plant and Equipment, Capital Work In Progress and Intangible assets.

42.3 Geographical Information

Particulars	2018-19	2017-18
Revenue by Geographical market		
Sale of Products and Services		
- Domestic	51,092.40	40,577.72
- Export	901.95	655.06
Total	51,994.35	41,232.78
Assets		
Trade Receivable (Net of Impairment allowances for bad and doubtful trade receivables)		
- Within India	10,404.87	9,288.46
- Outside India	204.36	216.88
Total	10,609.23	9,505.34

42.4 Information about major customers

Revenue in respect of automobile gear include sale to two public companies (March 31, 2018: three public companies) pertaining to the automobile sector which account for more than 10% in each case and ₹ 26353.36 Lakhs (March 31, 2018- ₹ 25806.64 Lakhs) in aggregate of the total revenue of the company.

43. Calculation of Earning Per Share is as follows :

Particulars	31st March, 2019	31st March, 2018
Net profit for basic and diluted earnings per share as per Statement of Profit and Loss (Rs. In Lakhs)	4,669.72	3,265.30
Net profit for basic and diluted earnings per share (Rs. In Lakhs) (a)	4,669.72	3,265.30
Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value Rs. 10/- per share)		
No of equity shares outstanding as on	39,56,433	39,56,433
Weighted average number of equity shares considered in calculating basic and diluted EPS (b)	39,56,433	39,56,433
Earnings per share (EPS) of Equity Share of ₹ 10 each :		
Basic and Diluted (a/b) (₹)	118.03	82.53

44. In the opinion of the management and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. The debit/credit balances of parties are however, subject to confirmation and adjustment, if any.

45. Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on "Employee Benefits" (Ind AS - 19) are given below:

(a) Defined Contribution Scheme

Particulars	For The Year Ended March 31, 2019	For The Year Ended March 31, 2018

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

Contribution to Defined Contribution Plan recognised as expense for the year are as under:		
Employer's Contribution to Provident Fund	85.74	83.51
Employer's Contribution to Family Pension Fund	105.46	104.25

The Honourable Supreme Court, has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

(b) Defined Benefit Plan

The company has a defined benefit Gratuity plan. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972. The Company makes annual contribution of Gratuity to Gratuity Fund maintained by Trust created by the company for the scheme.

The Company also extends benefit of compensated absences to the employee, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement/separation. This is an unfunded plan.

The Company has a separate Provident Fund Trust (Funded), whereby all the employees covered under the said Trust are entitled to benefits as per Provident Fund Act/Trust Deed. Any shortfall for the Trust is borne by Company, hence the same is treated as a defined benefit scheme. Contribution to those provident funds amounting to ₹10.77 Lakhs (March 31, 2018 : 10.62 Lakhs) is recognised as expenses and included in "Employee Benefits Expense". Shortfall in the funds of ₹ 1.14 Lakhs (March 31, 2018: ₹ 0.92 Lakhs) towards such trustee funds to the extent of the information available with the company has been provided.

The employee's gratuity fund scheme managed by Deepak Industries Gratuity Fund is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Gratuity (Funded)

Particulars	For The Year Ended March 31, 2019	For The Year Ended March 31, 2018
A . Change in fair value of Defined Benefit Obligation :		
Present Value of Defined Benefit Obligations as at the beginning of the year	781.62	735.54
Current Service Cost	67.34	65.44
Interest Cost	57.30	52.56
Benefit Paid	(74.93)	(114.81)
Actuarial (Gain) / Losses	-	-
Remeasurements- Due to Financial Assumptions	4.08	(10.46)
Remeasurements- Due to Experience Adjustments	(8.91)	53.35
Liability at the end of the year	826.50	781.62
B . Change in Fair Value of plan Assets :		
Fair value of Plan Assets at the beginning of the year	568.41	600.46
Interest Income	43.77	46.54
Contributions by the Employers	120.77	42.64
Benefit paid	(74.93)	(114.81)
Remeasurements- Return on Assets (excluding Interest Income)	3.76	(6.42)
Fair value of plan Assets at the end of the year	661.78	568.41
C . Amount Recognized in Balance Sheet:		
Present Value of Defined Benefit Obligations as at the end of the year	826.50	781.62
Fair value of Plan Assets at the end of the year	661.78	568.41
	164.72	213.21
D . Components of Defined Benefit Cost		

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

Gratuity (Funded)

Particulars	For The Year Ended March 31, 2019	For The Year Ended March 31, 2018
Current Service Cost	67.34	65.44
Interest Cost	57.30	52.56
Expected Return on Plan Assets	(43.77)	(46.54)
Net Actuarial (Gain)/ Loss on remeasurement recognized in OCI	–	–
Total Defined Benefit Cost recognized in the Statement of Profit and Loss	80.87	71.46
E . Remeasurements Recognized in Other Comprehensive Income		
Remeasurements- Due to Financial Assumptions	4.08	(10.46)
Remeasurements- Due to Experience Adjustments	(8.91)	53.35
Remeasurements- Return on Assets (excluding Interest Income)	(3.76)	6.42
Remeasurements Recognized in Other Comprehensive Income	(8.59)	49.31
F . Balance Sheet Reconciliation		
Opening Net Liability	213.21	135.08
Defined Benefit Cost included in Profit and Loss	80.87	71.46
Remeasurements Recognized in Other Comprehensive Income	(8.59)	49.31
Employers Contribution	(120.77)	(42.64)
Amount Recognised in Balance Sheet	164.72	213.21

G . Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Equity	–	–
Bonds	96.29	94.40
Other Current Assets	3.71	5.60
Insurance policies	–	–

H . The Principal Actuarial Assumptions as at Balance Sheet date are set out as below:

Summary of Financial Assumption		
Discount Rate	7.70%	7.75%
Salary Escalation- First Five Years	6.00%	6.00%
Salary Escalation- After Five Years	6.00%	6.00%
Expected Return on Plan Assets	7.70%	7.75%
Summary of Demographic Assumptions		
Mortality Rate	IALM (2006-08) Table	
Disability Rate(a % of above mortality rate)	5.00%	5.00%
Withdrawal Rates	1% to 8%	1% to 8%
Retirement Age	58 Years	58 Years
Average future service	19.74	19.64

I. Sensitivity analysis

Particulars	Change in Assumptions	For The Year Ended March 31, 2019	For The Year Ended March 31, 2018
Salary Escalation	1%	886.24	836.13
Salary Escalation	-1%	0.31	733.01
Withdrawal Rates	1%	832.25	786.93
Withdrawal Rates	-1%	820.02	775.64
Discount Rate	1%	775.33	734.39

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

Discount Rate	-1%	884.58	835.10
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The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

J. Estimate of expected benefit payments (In absolute terms i.e. undiscounted)		Gratuity
Particulars		
01 Apr 2019 to 31 Mar 2020		152.64
01 Apr 2020 to 31 Mar 2021		176.72
01 Apr 2021 to 31 Mar 2022		71.79
01 Apr 2022 to 31 Mar 2023		91.53
01 Apr 2023 to 31 Mar 2024		82.08
01 Apr 2024 Onwards		1,124.10

K. Particulars	As at March 31, 2019	As at March 31, 2018
Average number of people employed	986	994

Compensated absences (Unfunded)

Other Long Term Employee Benefit

Particulars	For The Year Ended March 31, 2019	For The Year Ended March 31, 2018
A. Change in fair value of Defined Benefit Obligation :		
Present Value of Defined Benefit Obligations as at the beginning of the year	187.30	168.95
Current Service Cost	15.60	23.82
Interest Cost	13.94	12.66
Benefit Paid	(12.53)	(11.07)
Remeasurements- Due to Financial Assumptions	0.62	(2.92)
Remeasurements- Due to Experience Adjustments	(7.26)	(4.14)
Liability at the end of the year	197.67	187.30
B. Change in Fair Value of plan Assets :		
Contributions by the Employers	12.53	11.07
Benefit paid	(12.53)	(11.07)
Fair value of plan Assets at the end of the year	-	-
C. Amount Recognized in Balance Sheet:		
Present Value of Defined Benefit Obligations as at the end of the year	197.67	187.30
Fair value of Plan Assets at the end of the year	-	-
	197.67	187.30
D. Components of Defined Benefit Cost		
Current Service Cost	15.60	23.82
Interest Cost	13.94	12.66
Total Defined Benefit Cost recognized in the Statement of Profit and Loss	29.54	36.48
E. Remeasurements Recognized in Other Comprehensive Income		
Remeasurements- Due to Financial Assumptions	0.62	(2.92)
Remeasurements- Due to Experience Adjustments	(7.26)	(4.14)

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

F . Remeasurements Recognized in Other Comprehensive Income	(6.64)	(7.06)
Balance Sheet Reconciliation		
Opening Net Liability	187.30	168.95
Defined Benefit Cost included in Profit and Loss	29.54	36.48
Remeasurements Recognized in Other Comprehensive Income	(6.64)	(7.06)
Employers Contribution	(12.53)	(11.07)
Amount Recognised in Balance Sheet	197.67	187.30

G . Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:		
Particulars	As at March 31, 2019	As at March 31, 2018
Equity	N.A.	N.A.
Bonds	N.A.	N.A.
Other Current Assets	N.A.	N.A.
Insurance policies	N.A.	N.A.

H . The Principal Actuarial Assumptions as at Balance Sheet date are set out as below:		
Summary of Financial Assumption		
Discount Rate	7.70%	7.75%
Salary Escalation- First Five Years	6.00%	6.00%
Salary Escalation- After Five Years	6.00%	6.00%
Expected Return on Plan Assets	N.A.	N.A.
Summary of Demographic Assumptions		
Mortality Rate	IALM (2006-08) Table	
Disability Rate(a % of above mortality rate)	5.00%	5.00%
Withdrawal Rates	1% to 8%	1% to 8%
Retirement Age	58 Years	58 Years
Average future service	19.73	19.64

I. Sensitivity analysis			
Particulars	Change in Assumptions	For The Year Ended March 31, 2019	For The Year Ended March 31, 2018
Salary Escalation	1%	211.93	200.46
Salary Escalation	-1%	185.14	175.74
Withdrawal Rates	1%	199.38	188.92
Withdrawal Rates	-1%	195.74	185.49
Discount Rate	1%	185.44	175.94
Discount Rate	-1%	211.71	200.33

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

J. Estimate of expected benefit payments (In absolute terms i.e. undiscounted)	
Particulars	Leave
01 Apr 2019 to 31 Mar 2020	52.88
01 Apr 2020 to 31 Mar 2021	55.43
01 Apr 2021 to 31 Mar 2022	14.10
01 Apr 2022 to 31 Mar 2023	22.82
01 Apr 2023 to 31 Mar 2024	16.44

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

01 Apr 2024 Onwards

271.78

K. Particulars	As at March 31, 2019	As at March 31, 2018
Average number of people employed	986	994

46. FINANCIAL INSTRUMENTS

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Financial Assets measured at Amortised Cost				
Trade receivables	10,609.23	10,609.23	9,505.34	9,505.34
Cash and cash equivalents	241.86	241.86	195.32	195.32
Other Bank Balances	8,517.40	8,517.40	14,307.02	14,307.02
Other Financial Assets	531.04	531.04	738.67	738.67
Unquoted Non-Convertible Non-cumulative Redeemable Preference Instruments	100.85	100.85	91.04	91.04
Financial Liabilities (Current and Non-Current)				
Financial Liabilities measured at Amortised Cost				
Borrowings	10,622.05	10,622.05	15,607.98	15,607.98
Trade Payables	4,626.68	4,626.68	5,407.90	5,407.90
Other Financial Liabilities	1,524.10	1,524.10	1,080.14	1,080.14

Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, other bank balances, current trade receivables and payables, other current financial liabilities and assets approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.

A substantial portion of the company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the present borrowing rate of the company.

Fair value of Investment in unquoted Non Cumulative Non Convertible Redeemable Preference Share and security deposit which can not be measured based on quoted prices in active market have been determined on Effective interest Rate method(EIR) and differential thereof has been recognised as deferred loss/gain and to be recognised to profit and loss over the tenure of the instrument .

FINANCIAL RISK FACTORS

The Company's financial liabilities comprise mainly of borrowings, trade and other payables. The Company's financial assets comprise mainly of cash and cash equivalents, other balances with banks including Fixed Deposits with Banks, trade receivables and other receivables, Deposits and Investment.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Company's senior management oversees the management of these risks. The Board of Director reviews and agrees policies for managing each of these risks, which are summarised below:

MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk includes borrowings, investments, trade payables and trade receivables.

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

Interest rate risk

The company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the company's cash flows as well as costs. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk.

Further there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings.

Nature of Borrowing	Increase in basis points	As at March 31, 2019	As at March 31, 2018
Rupee Loan	0.50	45.33	50.07

A decrease in 0.50 basis point in Rupee Loan would have an equal and opposite effect on the Company's financial statements

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's trade receivables and trade payables.

The Company evaluates the impact of foreign exchange rate fluctuation by assessing its exposure to exchange rate risks.

The carrying amount of various exposures to foreign currency as at the end of the reporting period are as follows :

Particulars	As at March 31, 2019			
	Trade Receivables	Trade Payables	Other Current Liabilities	Net Assets / (liabilities)
SGD	44.65	–	–	44.65
STP	7.88	–	–	7.88
USD	150.77	17.80	–	132.97
EURO	–	353.71	10.66	(364.37)
Total	203.30	371.51	10.66	(178.87)

Particulars	As at March 31, 2018			
	Trade Receivables	Trade Payables	Other Current Liabilities	Net Assets / (liabilities)
SGD	32.03	–	–	32.03
STP	7.88	–	–	7.88
USD	175.77	7.68	0.38	167.71
GBP	–	1.91	–	(1.91)
EURO	1.20	28.49	59.66	(86.95)
Total	216.88	38.08	60.04	118.76

Sensitivity analysis resulting in profit or loss mainly from SGD, STP, USD,GBP and EURO denominated receivables and payables are as follows

Particulars	For The Year Ended 31st March, 2019	For The Year Ended 31st March, 2018
Receivables (Weaking of INR by 5%)		
SGD	2.23	1.60
STP	0.39	0.39
USD	7.54	8.79
EURO	–	0.06
Payables (Weaking of INR by 5%)		
SGD	–	–

Notes to Financial Statements for the year ended March 31, 2019

(₹ In lakhs)

STP	–	–
USD	(0.89)	(0.38)
GBP	–	(0.10)
EURO	(1.00)	(1.42)
JPY	–	–

Figures in bracket represents loss

A 5% strengthening of INR would have an equal and opposite effect on the Company's financial statements.

Commodity Price Risk:

The Company doesn't have any derivative assets and liabilities. This mitigate the Company from commodity price risk.

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 is exposed to credit risk from its operating activities primarily trade receivables and other financial assets including deposits with Bank. Exposure to credit risk is monitored on an ongoing basis. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable.

The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses), represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate impairment allowances for doubtful debts are made to the extent recovery there against has been considered to be remote.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

Trade receivables amounts that are past due at the end of the reporting period against which no credit losses has been expected to arise except those which are impaired.

LIQUIDITY RISK

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital loans from banks. The Company invests its surplus funds in bank fixed deposit which carry no market risk. The company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

Liquidity table

The following tables detail the Company's contractual maturity for its non derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at balance sheet date:

Interest rate and currency of borrowings

As at March 31, 2019

Particulars	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Weighted average interest rate
INR	10,622.05	10,522.72	99.33	7.60%

Interest rate and currency of borrowings

As at March 31, 2018

Particulars	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Weighted average interest rate
INR	15,620.40	15,447.97	172.43	8.55%

Maturity Analysis of unamortised Financial Liabilities

As at March 31, 2019

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	10,628.57	7,555.84	419.71	396.60	2,256.42	10,628.57
Other Financial Liabilities	1,524.10	-	941.18	144.05	438.87	1,524.10
Trade and other payables	4,626.68	-	4,626.68	-	-	4,626.68

As at March 31, 2018

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	15,620.40	11,446.37	291.11	810.20	3,072.72	15,620.40
Other Financial Liabilities	1,080.14	-	632.33	14.68	433.13	1,080.14
Trade and other payables	5,407.93	-	5,407.93	-	-	5,407.93

The company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The company relies on operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

CAPITAL MANAGEMENT

- a. The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without where the risk profile of the Company.

The gearing ratio are as follows :

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	10,622.05	15,607.98
Less: Cash and Cash Equivalents	241.86	195.32
Net Debt	10,380.19	15,412.66
Equity	26,938.64	22,263.33
Equity and Net Debt	37,318.83	37,675.99
Gearing Ratio	0.28	0.41

b. Proposed Dividend

For the year ended March 31, 2019, the Board of Directors has proposed a final dividend of ₹ 10 per share (100 %) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 395.64 lakhs and the dividend distribution tax thereon amounts to ₹ 81.33 lakhs.

47. Previous year figures have been regrouped wherever necessary to confirm with financial statements.
48. These financial statements have been approved by the Board of Directors of the Company on May 29, 2019 for issue to the shareholders for their adoption.

As per our report of even date
For **Lodha & Co.**
Chartered Accountants
Firm Regn No. 301051E

For and on behalf of the Board of Directors
P K Daga
(DIN: 00040692)
Chairman-Cum-Managing Director

Y K Daga
(DIN: 00040632)
Vice Chairman-Cum-joint-Managing Director

H K Verma
Partner
Membership No. 055104
Kolkata
May 29, 2019

S Chakravorti
(DIN: 00066344)
Maneesh Khanna
Chief Financial Officer

A P Agarwalla
(DIN: 00312652)

Meera Dokania
(DIN: 07094376)

V D Mall
Company Secretary

DEEPAK INDUSTRIES LIMITED
CIN No.L63022WB1954PLC021638

Registered office:

16, Hare Street, Kolkata-700 001
Email: secretary@dil-india.com
Phone No.033-2248-2391/2/3 Fax No. 033-2243-9382

ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting.

D.P.ID*		L.F.No.	
Client ID*		No. of Shares held	

I/ We hereby record my/our presence at the 64th Annual General meeting of the Company being held on Tuesday, the 17th September, 2019 at 2.00 P.M.at 16, Hare Street, Kolkata-700 001

Signature of Shareholder(s)

1. 2. 3.

Signature of the Proxy holder

*Applicable for investors holding shares in electronic form.

Note: Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the venue of the meeting

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 : L63022WB1954PLC021638

Name of the Company : DEEPAK INDUSTRIES LIMITED

Registered Office : 16, Hare Street, Kolkata-700 001

Name of the member(s)	
Registered Address	
Email ID	
Folio No./Client ID	
DP ID	

I/We, being the member(s) of shares of the above named company, hereby appoint.

- (1) Name..... Address.....
E-mail IDSignature or failing him.
- (2) Name..... Address.....
E-mail IDSignature or failing him.
- (3) Name..... Address.....
E-mail ID Signature

as my/our proxy to attend and vote (on a poll) for me/ our behalf at the 64th Annual General Meeting of the Company to be held on Tuesday, the 17th September, 2019 at 16, Hare Street, 2nd Floor, Kolkata-700 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolu- tion No	RESOLUTIONS	No. of Shares	I/We assent to the Resolution (FOR)	I /We dissent to the Resolution (AGAINST)
	ORDINARY BUSINESS			
1.	Ordinary Resolution to Consider and adopt Audited Balance Sheet as at 31 st March, 2019 and statement of the Profit & Loss Account, together with Reports of the Board of Directors and Auditors of the Company thereon.			
2	Ordinary resolution for declaration of dividend on equity shares for the year 2018-19			
3	Ordinary Resolution for re-appointment of Shri Pradip Kumar Daga who retires by rotation.			
	SPECIAL BUSINESS			
4	Ordinary Resolution under Section 148(3) of the Companies Act, 2013 for approval of the remuneration of the Cost Auditors.			
5	Special resolution for the continuation and re-appointment of Shri Sujit Chakravorti, (DIN No.00066344) for a term of five consecutive years from 01/10/2019 to 30/09/2024.			
6	Special resolution for the re-appointment of Shri Anand Prasad Agarwalla, (DIN No.00312652) for a term of five consecutive years from 01/10/2019 to 30/09/2024.			
7	Special resolution for the payment of Commission to the non-executive directors of the Company within the limits of section 197 of the Companies Act, 2013 as amended.			

Signed this day of 2019

Signature of Shareholder:

Signature of Proxy holder(s):

Note:

- This form of proxy in order to be effective should be completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.**
- For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
- 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.
- Please complete all details including details of member(s) in above box before submission.

Affix
Re 1
Revenue
Stamp

If undelivered, please return to :
DEEPAK INDUSTRIES LIMITED
16, HARE STREET, KOLKATA - 700 001