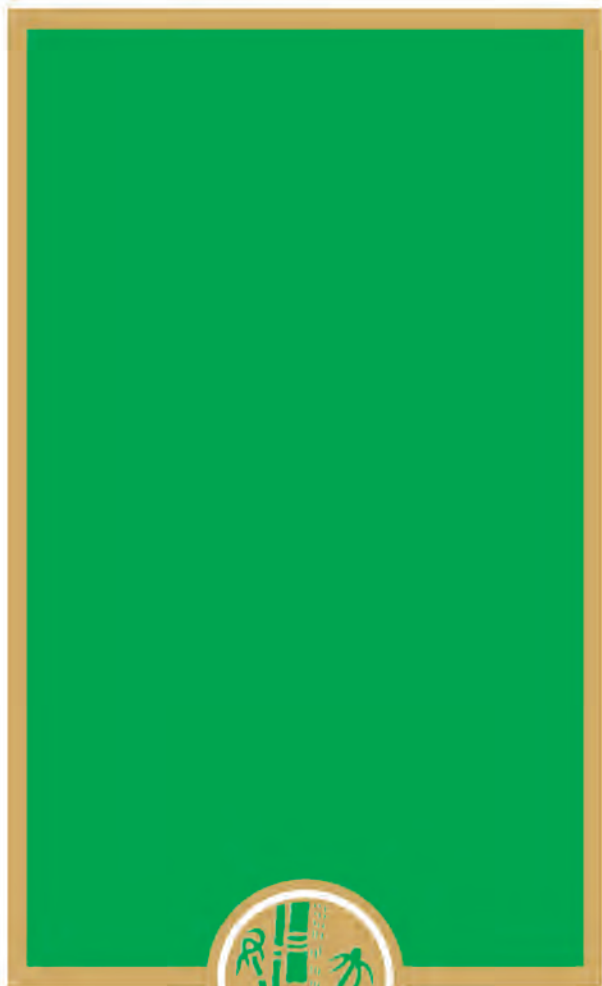

85th

ANNUAL

REPORT

2018 - 2019



*Sir Shadi Lal
Enterprises Ltd.*

**SIR SHADI LAL ENTERPRISES LIMITED**

BOARD OF DIRECTORS	:	Shri Ramesh Chandra Sharma – Chairman (DIN No. 00023274) Shri Rajat Lal – Managing Director (DIN No. 00112489) Shri Vivek Viswanathan – Joint Managing Director (DIN No. 00141053) Shri Rahul Lal – Joint Managing Director (DIN No. 06575738) Shri Hemantpat Singhania – Non Executive Independent Director (DIN No. 00141096) Shri Onke Aggarwal – Non Executive Independent Director (DIN No. 00141124) Mrs. Radhika Viswanathan Hoon – Non Executive Director (DIN No. 06436444) Shri Ajit Hoon – Non Executive Director (DIN No. 00540300) Shri Neeraj Gupta - Non Executive Professional Director (DIN No. 00317395)
BANKERS	:	State Bank of India Punjab National Bank Zila Sahkari Bank Ltd.
AUDITORS	:	M/S M. Sharan Gupta & Co. B-3, Ground Floor, Hotel Suryaa, New Friends Colony, New Delhi – 110 025
REGISTERED OFFICE	:	4 – A, Hansalaya, 15, Barakhamba Road, New Delhi – 110 001
MANUFACTURING UNITS	:	Upper Doab Sugar Mills, Shamli – 247 776 (U.P.) Shamli Distillery & Chemical Works, Shamli – 247 776 (U.P.)



SIR SHADI LAL ENTERPRISES LIMITED

SIR SHADI LAL ENTERPRISES LIMITED

(Corporate Identity No. L51909DL1933PLC009509)

Regd. Office: 4 – A, Hansalaya, 15, Barakhamba Road, New Delhi– 110 001

Ph. 011– 23316409, Fax No. : 011-23722193 Email Id udsm_shamli@sirshadilal.com, Website : www.sirshadilal.com

NOTICE FOR THE 85TH ANNUAL GENERAL MEETING

Notice is hereby given that the 85th Annual General Meeting of the Shareholders of Sir Shadi Lal Enterprises Limited will be held on Monday, the 23rd September, 2019 at 11.00 a.m. at P.H.D. House, 4/2, Siri Institutional Area, August Kranti Marg, Opposite Asian Games Village, New Delhi - 110 016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements as at 31st March, 2019, Statement of Profit and Loss account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Rahul Lal, (DIN: 06575738) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. Rajat Lal, (DIN: 00112489) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), payment of remuneration as set out in the Statement annexed to the Notice convening this Meeting to Mr. Rishi Mohan Bansal, Cost Auditors who was appointed by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the Audit of the Cost Accounting Records of the Company for the financial year ending 31st March, 2020 be and is hereby ratified and approved.”

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby given to re-appoint Sh. Rajat Lal as Managing Director of the Company for a further period

of Five years w.e.f. 01.04.2019 to 31.03.2024 on the terms & conditions and remuneration including commission and perquisites as set out in explanatory statement.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary the remuneration and perquisites including the monetary value thereof as specified in the explanatory statement, to the extent the Board of Directors may consider appropriate, as may be permitted or authorized in accordance with the provisions under the Companies Act, 2013 or Scheduled appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or in rules or regulations promulgated thereunder.”

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby given to change in designation of Sh. Rahul Lal as Joint Managing Director of the Company for rest period of his office up to 30.06.2023 on the terms & conditions and remuneration including commission and perquisites as set out in explanatory statement.

“RESOLVED FURTHER THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the revision in the remuneration of Sh. Rahul Lal, Joint Managing Director w.e.f. 26.05.2019 as set out in the explanatory statement for the remaining tenure of his appointment.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary the remuneration and perquisites including the monetary value thereof as specified in the explanatory statement, to the extent the Board of Directors may consider appropriate, as may be permitted or authorized in accordance with the provisions under the Companies Act, 2013 or Scheduled appended thereto, for the time being in force or any statutory modification or reenactment thereof and/or in rules or regulations promulgated thereunder.”

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



“RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Neeraj Gupta (DIN 00317395), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 25.05.2019 and whose term of office expires at ensuing Annual General Meeting (‘AGM’) and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Non Executive Professional Director of the Company liable to retire by rotation.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), Consent of the Company be and is hereby accorded, to reappoint Mr. Onke Aggarwal as Non-Executive Independent Director on the Board of the Company to hold office for a term from 22.09.2019 to 21.09.2024.”

“RESOLVED FURTHER THAT Mr. Rajat Lal Managing Director be and is hereby authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard.”

“RESOLVED FURTHER THAT Mr. Rajat Lal Managing Director be and is hereby authorised to sign the certified true copy of the resolution to be given as and when required.”

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded, to reappoint Mr. R. C. Sharma as Non-Executive Independent Director on the Board of the Company to hold office for a term from 22.09.2019 to 21.09.2024.”

“RESOLVED FURTHER THAT Mr. Rajat Lal Managing Director be and is hereby authorized to sign and execute all

such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard.”

“RESOLVED FURTHER THAT Mr. Rajat Lal Managing Director be and is hereby authorised to sign the certified true copy of the resolution to be given as and when required.”

10. To consider and, if thought fit, to pass, with or without modification (s), the following resolution as a special resolution.

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), Consent of the Company be and is hereby accorded, to reappoint Mr. Hemantpat Singhania as Non-Executive Independent Director on the Board of the Company to hold office for a term from 22.09.2019 to 21.09.2024.”

“RESOLVED FURTHER THAT Mr. Rajat Lal Managing Director be and is hereby authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard.”

“RESOLVED FURTHER THAT Mr. Rajat Lal Managing Director be and is hereby authorised to sign the certified true copy of the resolution to be given as and when required.”

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

“RESOLVED that pursuant to section 188 and other applicable provisions of the Companies Act, 2013 if any and regulation 23 of the SEBI (LODR) Regulations 2015, consent of the members of the Company be & is hereby accorded for related party transactions made by the Company with the Directors and other related party at arm length Basis in the ordinary Course of Business to the extent as decided by the Board of Directors.”

MEMBERS MAY PLEASE NOTE THAT NO GIFTS/GIFT COUPONS SHALL BE DISTRIBUTED AT THE VENUE OF THE MEETING.

By order of the Board

Ajay Kumar Jain

Company Secretary

FCS-5826

Place : New Delhi

Dated : 22nd July, 2019

CONTD.....

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting ("Meeting") is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The Proxy form duly completed and signed, in order to be effective must be received at the registered office of the company not less than 48 hours before the commencement of the Meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. In terms of Article 98 of the Articles of Association of the Company, read with section 152 of the Companies Act, 2013 Sh. Rahul Lal and Sh. Rajat Lal, Directors, retire by rotation at this meeting and being eligible, offer themselves for reappointment. The Board of Directors of the Company recommends their re-appointment.
5. As per Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings (SS-2), the brief resume and functional expertise of Directors proposed for appointment/re-appointment are annexed to this notice along with the details of the Companies in which they are Directors and the Board Committees of which they are members.
6. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
7. The Register of Members and Share Transfer Books of the Company will remain closed from the 11th September, 2019 to the 23th September, 2019 (both days inclusive).
8. Shareholders are requested to intimate to the Company/Registrar and Transfer Agent, M/s Alankit Assignments Limited, change if any, in their registered addresses.
9. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.
10. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
11. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company or to the Share Transfer Agents of the Company, M/s Alankit Assignments Limited, to enable it to consolidate their holdings in one folio.
12. Members are requested to bring their copies of the Report and Accounts to the meeting.
13. Members, who hold shares in dematerialized form, are requested to bring their depository account number (Client ID No.) for easier identification and recording of attendance at the meeting.
14. Members who require any information about the accounts to be explained in the meeting are requested to inform the Company about their intended query at least seven days in advance of the meeting.
15. Pursuant to Section 205A of the Companies Act, 1956, all unpaid/unclaimed dividends declared for and up to the financial year ended 31st March, 1995, have been transferred to the General Revenue Account of Central Government. Members, who have not yet encashed their dividend warrants for the said period, are requested to claim the amount from the Registrar of Companies, National Capital Territory of Delhi & Haryana, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019.
16. Pursuant to Section 205A and 205C of the Companies Act, 1956, unpaid/ unclaimed dividends for the year 1995-96, 1996-97, 1997-98, 1998-99, interim and final dividend of 1999-2000, 2000-2001, 2001-2002, 2003-04, 2004-05 & 2005-06, 2009-10 have been transferred by the Company to "Investor Education & Protection Fund"(IEPF) constituted by the Central Government under Section 205A and 205C of the Companies Act, 1956. 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 the details of unpaid and unclaimed amounts lying with the Company as on 26th September, 2017 on the website of the Company (www.sirshadilal.com).
The Central Government has notified the constitution of Investor Education and Protection Fund Authority with effect from 7th September 2016 and in terms of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer And Refunds) Rules, 2016 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 ("IEPF Rules"), the company has transfer not only the unclaimed dividends but also the equity shares in respect of which dividends are not claimed for the continuous period of seven years by any shareholder, to the IEPF Demat A/c as identified by the IEPF Authority. Any Shareholder who want to get refund the shares can claim the same by applying to the Investor Education and Protection Fund Authority on their website at www.iepf.gov.in/IEPFA/refund.html
17. Section 72 of the Companies Act, 2013, has extended nomination facility to individuals holding shares in Companies. Shareholders, in particular, those holding shares in single name, are requested to avail of the above facility by furnishing to the Company Form SH-13. Shareholders may please write to the Company for the prescribed Nomination Form SH-13.
18. The Securities and Exchange Board of India (SEBI) has mandated that the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Registrar and Transfer Agent, M/s Alankit Assignments Limited. As per SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20.04.2018 PAN and Bank details are mandatory to provide to RTA. Members are requested to provide the same to their Depository Participants with whom they are maintaining their demat accounts
19. Members are requested to provide us the following information which is mandatory to maintain the Register of Members pursuant to provision of section 88 (1)(a) of the Companies Act, 2013 and rule 3(1) of the Companies (Management and



Administration) Rules, 2014, Email ID, CIN/ Registration No., Unique Identification No., Father's/Mother's/Spouse's Name, Status, Occupation, PAN No., in case member is a minor, name of the guardian, Date of Birth of minor, details of membership, date of becoming member, date of declaration under section 89, if applicable.

20. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
21. Entry to the Auditorium will be strictly against entry slip available at the counters at the venue against exchange of Attendance Slip. Photocopy of the Attendance Slip will not be entertained.
22. For the security and safety of the Shareholders, no articles/baggage will be allowed at the venue of the meeting. The Members/Attendees are strictly requested not to bring any article/baggage etc. at the venue of the meeting.
23. Annual Report is also available at the website of the Company at www.sirshadilal.com in the Investors Relations section.
24. In compliance with the provisions of section 108 of the Act, 2013 and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
 - i. Open the e-mail and also open PDF file namely "SSLEL e-voting. pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
 - iii. Click on Shareholder – Login.
 - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
 - viii. Select "EVEN" (E-Voting Event Number) of Sir Shadi Lal Enterprises Limited. Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sunil.jain.sk@gmail.com, with a copy marked to evoting@nsdl.co.in.
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com.
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
 - i. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.
- C. Other Instructions:
 - i. The e-voting period commences on 20th September, 2019 (9.00 a.m. IST) and ends on 22nd September, 2019 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 16th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
 - ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 16th September, 2019.
 - iii. Shri Sunil K. Jain, Prop. Sunil K. Jain & Associates, Practicing Company Secretaries (Membership No. FCS 4089; C.P.No.4079), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
 - iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - v. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sirshadilal.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the 85th AGM of the Company on and communicated to the BSE Limited, where the shares of the Company are listed.

CONTD.....



ANNEXURE TO NOTICE

(Explanatory Statement under Section 102 (1) of the Companies Act, 2013)

ITEM NO. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the Audit of the cost records of the Company for the financial year ending 31st March, 2020 as per the following details:

Remuneration of Cost Auditor

For the product "Sugar"

for Upper Doab Sugar Mills

Cost Audit Fee	Rs. 30,000
(inclusive of all incidental and traveling expenses)	per annum

For the product "Industrial Alcohol"

for Shamli Distillery & Chemical Works

Cost Audit Fee	Rs. 20,000
	per annum

Extra Travelling Expenses and	Actual
Incidental Expenses	Rs. 2,000
for attending Audit Committee/	per day
Board Meeting(s)	

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2020.

None of the Directors /Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

ITEM NO. 5

Sh. Rajat Lal has been discharging responsibilities of the office of the Managing Director successfully and efficiently. His tenure had expired on 31.03.2019. The Board of Director and Nomination and remuneration Committed had already approved his reappointment for a period from 01.04.2019 to 31.03.2024 on the terms and conditions of appointment and remuneration including commission and perquisites as under:-

Name	: Mr. Rajat Lal
Designation	: Managing Director
Tenure of Office	: 01.04.2019 to 31.03.2024
Salary per Month	: Rs.1,26,000
Commission	: 4.5%
Perquisites	:

Part A

House Rent Allowance : 60% of the salary

Gas, Electricity & Water charges : 5% of the salary

Medical Reimbursement : Expenses incurred for self and family, subject to a ceiling of one month salary per year or 5 months salary in a period of 5 years.

Personal Accident and Mediclaim Insurance : Premium not to exceed Rs. 10,000 per year in each case.

Part B

Company's contribution : Company contribution towards towards Provident Fund/ Superannuation Fund Provident Fund @ 12% of salary and Superannuation Fund @ 15% of salary.

Gratuity : As per rules of the Company

Encashment of Leave : As per rules of the Company

PART-C

- 1) Car : Provision of a chauffeur driven car for office use.
- 2) Telephone: Free telephone facility at residence, personal long distance calls to be paid by him.
- 3) Entertainment Expenses: Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.

Payments in Part-C will not be considered as perquisites for the purpose of ceiling under Sections 197 of the Companies Act, 2013.

OTHER TERMS APPLICABLE TO THE APPOINTMENT & MINIMUM REMUNERATION:

1. He will not be paid any "Sitting fee" for attending the meetings of the Board of Directors or Committee's thereof.
2. The Board/'Nomination and Remuneration Committee' may revise the existing terms or allow any other facilities/perquisites, from time to time, within the overall ceiling.
3. In the event of absence or inadequacy of profits in any financial year, he will be paid the above remuneration excluding commission as minimum remuneration, subject to the overall ceilings laid down in Section-II of Part-II of Schedule V. (In that event, contribution to Provident Fund and Superannuation Fund to the extent these are exempted under the Income-Tax Act, 1961 and gratuity payable at the rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.
4. The appointment may be terminated by either party by giving six calendar month's notice in writing or lesser notice as may be agreed to.

In the event of termination of the appointment by the Company, he will be entitled to receive compensation in accordance with the Provisions of section 191 & 202 of the Companies Act, 2013.

The Company has not defaulted in debt servicing. Hence, the proposed remuneration could be sanctioned by the shareholders, without need for the approval of Central Government, by way of special resolution. Statement containing prescribed information for this purpose is furnished hereunder.

Memorandum and Articles of Association, relevant resolutions passed by the Nomination and Remuneration Committee and the Board and the written memorandum setting out the terms of reappointment of Managing Director vide Section 190 (1) (b) are available for inspection by members at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on any working day.



Sh. Rajat Lal and Sh. Rahul Lal are interested in the resolution. The above may be treated as a written memorandum setting out the terms of reappointment of Shri Rajat Lal under Section 190 of the Act.

Save and except the above, none of the other Directors /Key Managerial Personnel of the Company/his relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Your Directors recommend for reappointment of Sh. Rajat Lal, Managing Director of the Company.

Statement containing required information as per Part II of Section II of Schedule V of the Companies Act, 2013

I. GENERAL INFORMATION :

(1)	Nature of industry	:	Manufacture of Sugar and all kind of Alcohol
(2)	Date or expected date of commencement of commercial production	:	26.06.1933
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	N.A.

(4) Financial performance based on given indicators: (Rs. in Lakhs)

Particulars	2018-19	2017-18	2016-17
Total Income	37360.47	39987.79	42232.18
Loss before providing for exceptional item and Depreciation	(3005.44)	(1987.01)	2013.69
Exceptional Item		0	0
Cash (Loss) / Profit	(3005.44)	(1987.01)	2013.69
Provision for depreciation as per Companies Act	496.16	397.96	173.77
(Loss) / Profit before tax	(3501.60)	(2384.97)	1839.92
Current tax	0	0	0
Deferred Tax Assets	0	0	0
Other Comprehensive Income	12.78	(359.40)	(13.85)
Net (Loss) / Profit	(3488.82)	(2744.37)	1826.07
Net Worth	(9920.28)	(6431.46)	(3687.09)

(5)	Foreign investments or collaborations, if any.	:	N.A.
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II. INFORMATION ABOUT THE APPOINTEE:

(1)	Background details	Shri Rajat Lal, aged 60 years, is B.Com., B.S.(U.S.A.), M.B.A. (U.S.A.). Sh. Rajat Lal was appointed as the Joint Managing Director of the Company by the shareholders of the Company in their meeting held on 27.05.1999 for a period of 5 years w.e.f. 01.04.1999. Sh. Rajat Lal was appointed as the Managing Director of the Company by the shareholders of the Company in their meeting held on 25.09.2003
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		:	for a period of 5 years w.e.f. 01.04.2004. He was re-appointed as Managing Director of the Company by the shareholders of the Company in their meeting held on 23.09.2013 for a further period of 5 years w.e.f. 01.04.2014.
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(2) Past remuneration :

Name of the Director	Financial Year	Category	Salary (Rs.)	Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)	Service Contract/ Notice period/ Severance fees
Mr. Rajat Lal Managing Director	2018-19	Executive	1512000	1530726	-	3042726	Contractual
	2017-18		1512000	1557214	-	3069214	Contractual
	2016-17		1440000	1376483	-	2816483	Contractual

(3)	Recognition or awards	:	N.A.
(4)	Job profile and his suitability	:	Sh. Rajat Lal has been discharging responsibilities of the office of the Managing Director successfully and efficiently for last more than two decades.
(5)	Remuneration proposed	:	As set out in the Statement under Section 102 (1) of the Companies Act, 2013.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	:	Considering the profile and experience of Mr. Rajat Lal and current trend of compensation package in Sugar Industry and other Corporate, the remuneration proposed is in line with comparable remuneration levels in the industry.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	:	Mr. Rajat Lal holds 957375 equity shares in the Company. Other than the remuneration Stated above, he has no pecuniary relationship directly or indirectly with the Company. Mr. Rahul Lal, Joint Managing Director of the Company, is a relative of him.

III. OTHER INFORMATION:

(1)	Reasons of loss or inadequate profits	:	Sugar industry is intrinsically cyclical with huge swings in production between years. Sugar price precariously fall both in the global and local markets during glut in supply. Since Sugar and Sugarcane are essential commodities and politically sensitive, they are subject to State intervention like arbitrary cane price fixation as against Fair and Remunerative Price of Central Government.
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CONTD.....



SIR SHADI LAL ENTERPRISES LIMITED

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		:	The Company has suffered losses in past financial years due to less early variety cane, lower Sugar recovery and higher cost of production as against unviable Sugar sales realization.
(2)	Steps taken or proposed to be taken for improvement	:	To encourage farmers to do autumn planting on a large scale for facilitating multiple cropping which would in turn maximize their returns and would result in better recovery. Company is installing equipment for saving in steam, power consumption and better operational efficiencies.
(3)	Expected increase in productivity and profits in measurable terms.	:	The Company maintains commendable control over its operations that are however subject to climatic challenges, State intervention for fixing Sugar cane price on linkage to sale realization formula.

IV. DISCLOSURES:

The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statement:-

(i)	all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the Directors.
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Sl. No.	Name of the Director	Category	Salary (Rs.)	Perquisites* (Rs.)	Commission (Rs.)	Total (Rs.)	Service Contract/ Notice period/ Severance fees
1.	Sh. Rajat Lal, Managing Director	Executive	1512000	1530726	-	3042726	Contractual
2.	Sh. Vivek Viswanathan, Joint Managing Director	Executive	1386000	1329501	-	2715501	Contractual
3.	Sh. Rahul Lal, Joint Managing Director	Executive	246851	238807	-	485658	Contractual
	Total		3144851	3099034	-	6243885	

(ii)	details of fixed component and performance linked incentives along with the performance criteria; N.A.
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(iii)	service contracts, notice period, severance fees;	:	The reappointment is for five years. The appointment may be terminated by either party by giving six calendar month's notice in writing or lesser notice as may be agreed to. In the event of termination of the appointment by the Company, he will be entitled to receive compensation in accordance with the Provisions of section 191 & 202 of the Companies Act, 2013.
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(iv)	stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	:	N.A.
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ITEM NO. 6

The Nomination and Remuneration Committee of Directors and Board of Directors have approved the reappointment of Mr. Rahul Lal, Executive Director w.e.f. 01.07.2018, on the terms and conditions of appointment and remuneration including commission and perquisites as under:-

Name	:	Mr. Rahul Lal
Salary per Month	:	Rs. 63,000
Commission	:	1%
Perquisites	:	

Part A

House Rent Allowance	:	60% of the salary
Gas, Electricity & Water charges	:	5% of the salary
Medical Reimbursement	:	Expenses incurred for self and family, subject to a ceiling of one month salary per year or 5 months salary in a period of 5 years.
Personal Accident and Mediclaim Insurance	:	Premium not to exceed Rs. 10,000 per year in each case.

Part B

Company's contribution towards Provident Fund/ Superannuation fund	:	Company contribution towards Provident Fund @ 12% of salary and Superannuation Fund @15% of salary.
Gratuity	:	As per rules of the Company
Encashment of Leave	:	As per rules of the Company
Your Directors recommend change in designation and increase in salary of Shri Rahul Lal as Joint Managing Director of the Company as per details below.		

Salary Per Month	:	Rs. 2,50,000/-
Commission	:	1% of the net profits as reduced by the amount paid to him by way of salary and perquisites.

House Rent Allowance	:	60% of the salary
Gas, Electricity & Water charges	:	5% of the salary
Medical Reimbursement	:	Expenses incurred for self & family, subject to a ceiling of one month salary per year or five months salary in a period of five years.
Personal Accident & Mediclaim Insurance	:	Premium not to exceed Rs.10,000 per year in each case

PART-B:

Company's contribution towards Provident Fund/ Superannuation Fund	:	Company contribution towards Provident Fund @ 12% of salary and Superannuation Fund @15% of salary.
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Gratuity : As per Rules of the Company.
Encashment of leave : As per Rules of the Company.

Part C

Car : Provision of a chauffeur driven car for office use.
Telephone : Free telephone facility at residence, personal long distance calls to be paid by him.
Entertainment Expenses : Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.

Payments in Part-C will not be considered as perquisites for the purpose of ceiling under Sections 197 of the Companies Act, 2013.

The Company has not defaulted in debt servicing. Hence, the proposed remuneration could be sanctioned by the shareholders, without need for the approval of Central Government, by way of special resolution. Statement containing prescribed information for this purpose is furnished hereunder.

Sh. Rajat Lal and Sh. Rahul Lal are interested in the resolution.

The above may be treated as a written memorandum setting out the terms of change in designation and increase in salary of Shri Rahul Lal as Joint Managing Director of the Company.

Save and except the above, none of the other Directors /Key Managerial Personnel of the Company/his relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Your Directors recommend change in designation and increase in salary of Shri Rahul Lal as Joint Managing Director of the Company .

STATEMENT CONTAINING REQUIRED INFORMATION AS PER PART II OF SECTION II OF SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION:

(1)	Nature of industry	:	Manufacture of Sugar and all kind of Alcohol
(2)	Date or expected date of commencement of commercial production	:	26.06.1933
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	N.A.

(4) Financial performance based on given indicators

Paticulars	2018-19	2017-18	2016-17
Total Income	37360.47	39987.79	42232.18
Loss before providing for exceptional item and Depreciation	(3005.44)	(1987.01)	2013.69
Exceptional Item		0	0
Cash (Loss) / Profit	(3005.44)	(1987.01)	2013.69
Provision for depreciation as per Companies Act	496.16	397.96	173.77
(Loss) / Profit before tax	(3501.60)	(2384.97)	1839.92
Current tax	0	0	0
Deferred Tax Assets	0	0	0
Other Comprehensive Income	12.78	(359.40)	(13.85)
Net (Loss) / Profit	(3488.82)	(2744.37)	1826.07
Net Worth	(9920.28)	(6431.46)	(3687.09)

(5)	Foreign investments or collaborations, if any.	:	N.A.
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II. INFORMATION ABOUT THE APPOINTEE:

(1)	Background details	:	Shri Rahul Lal is the Son of Sh. Rajat Lal, Managing Director of the Company. Born on 18.07.1989, aged about 30 years. He has done his Graduation (B.Com.) from Delhi University in 2011. He has completed his MBA from New Haven University, USA. He has 16 months experience with M/s KPMG, Mumbai, Earnest & Young, Gurgaon, J.P. Morgan, Mumbai and as Management Trainee with our Company. He is the Director of the Company since 27.04.2013 and appointed as Executive Director w.e.f. 01.07.2013 and reappointed w.e.f. 01.07.2018
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(2) Past remuneration

Name of the Director	Financial Year	Category	Salary (Rs.)	Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)	Service Contract/ Notice period/ Severance fees
Sh. Rahul Lal Executive Director	2018-19	Executive	246851	238807	-	485658	Contractual
	2017-18		296226	282662	-	578888	Contractual
	2016-17		720000	693880	-	1413880	Contractual

(3)	Recognition or awards	:	N.A.
(4)	Job profile and his suitability	:	The Board of Directors on the recommendations of the Remuneration Committee of Directors in their meeting held on 30.05.2013 had appointed as Executive Director for a period of five years w.e.f. 01.07.2013. Sh. Rahul Lal has done his graduation (B.Com.) from Delhi University in 2011. He has completed his MBA from New Haven University, USA. He has 16 months experience with M/s KPMG, Mumbai, Earnest Young, Gurgaon, J.P. Morgan, Mumbai
(5)	Remuneration proposed	:	As set out in the Statement under Section 102 (1) of the Companies Act, 2013.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	:	Considering the profile and experience of Sh. Rahul Lal and current trend of compensation package in Sugar Industry and other Corporate, the remuneration proposed is in line with comparable remuneration levels in the industry.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	:	Sh. Rahul Lal holds 287746 equity shares in the Company. Other than the remuneration stated above, he has no pecuniary relationship directly or indirectly with the Company. No managerial personnel in the Company is a relative of him.

CONTD.....



III. OTHER INFORMATION:

(1)	Reasons of loss or inadequate profits	:	Sugar industry is intrinsically cyclical with huge swings in production between years. Sugar price precariously fall both in the global and local markets during glut in supply. Since Sugar and Sugarcane are essential commodities and politically sensitive, they are subject to State intervention like arbitrary cane price fixation as against Fair and Remunerative Price of Central Government. The Company has suffered losses in past financial years due to less early variety cane, lower Sugar recovery and higher cost of production as against unviable Sugar sales realization.
(2)	Steps taken or proposed to be taken for improvement	:	To encourage farmers to do autumn planting on a large scale for facilitating multiple cropping which would in turn maximize their returns and would result in better recovery. Company is installing equipment for saving in steam, power consumption and better operational efficiencies.
(3)	Expected increase in productivity and profits in measurable terms.	:	The Company maintains commendable control over its operations that are however subject to climatic challenges, State intervention for fixing Sugar cane price on linkage to sale realization formula.

IV. DISCLOSURES:

The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statement: -

(i)	all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the Directors						
Sl. No.	Name of the Director	Category	Salary (Rs.)	Perquisites* (Rs.)	Commission (Rs.)	Total (Rs.)	Service Contract/ Notice period/ Severance fees
1.	Sh. Rajat Lal, Managing Director	Executive	1512000	1530726	-	3042726	Contractual
2.	Sh. Vivek Viswanathan, Joint Managing Director	Executive	1386000	1329501	-	2715501	Contractual
3.	Sh. Rahul Lal, Joint Managing Director	Executive	246851	238807	-	485658	Contractual
	Total		3144851	3099034	-	6243885	
(ii)	details of fixed component and performance linked incentives along with the performance criteria; N.A.						

ITEM NO.7

Mr. Neeraj Gupta (DIN 00317395), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 25.05.2019 and whose term of office expires at ensuing Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Director as a Non Executive Professional Director of the Company liable to retire by rotation. The Board of Director here by recommends for their appointment as Director. Mr. Neeraj Gupta and his relatives are interested in this Special Resolution.

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Special Resolution. The Board recommends this Special Resolution for your approval

ITEM NO. 8

The Members of the Company on 22nd September, 2014 approved the appointment of Mr. R.C.Sharma as an Independent Director of the Company for a period of five years with effect from 22nd September, 2014. Mr. R.C.Sharma will complete his present term on 21st September, 2019. In terms of the recently notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members by way of Special Resolution for reappointment of Independent Director. The Nomination & Remuneration Committee ('the Committee') and the Board of Directors of the Company ('the Board') are of the view that in order to take advantage of Mr. R.C.Sharma counsel and advice, it would be appropriate that he continues to serve on the Board for next five years. Accordingly, the Board at the meeting held on 25th May, 2019, on the recommendation of the Committee, recommended for the approval of the Members, reappointment of Mr. R.C.Sharma as an Independent Director of the Company. Mr. R.C. Sharma and his relatives are interested in this Special Resolution.

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Special Resolution. The Board recommends this Special Resolution for your approval

ITEM NO. 9

The Members of the Company on 22nd September, 2014 approved the appointment of Mr. Onke Aggarwal as an Independent Director of the Company for a period of five years with effect from 22nd September, 2014. Mr. Onke Aggarwal will complete his present term on 21st September, 2019. In terms of the recently notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members by way of Special Resolution for reappointment of Independent Director. The Nomination & Remuneration Committee ('the Committee') and the Board of Directors of the Company ('the Board') are of the view that in order to take advantage of Mr. Onke Aggarwal counsel and advice, it would be appropriate that he continues to serve on the Board for next five years. Accordingly, the Board at the meeting held on 25th May, 2019, on the recommendation of the Committee, recommended for the approval of the Members, reappointment of Mr. Onke Aggarwal as an Independent Director of the Company.



Mr. Onke Aggarwal and his relatives are interested in this Special Resolution.

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Special Resolution. The Board recommends this Special Resolution for your approval.

ITEM NO. 10

The Members of the Company on 22nd September, 2014 approved the appointment of Mr. Hemantpat Singhania as an Independent Director of the Company for a period of five years with effect from 22nd September, 2014. Mr. Hemantpat Singhania will complete his present term on 21st September, 2019. In terms of the recently notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members by way of Special Resolution for reappointment of Independent Director. The Nomination & Remuneration Committee ('the Committee') and the Board of Directors of the Company ('the Board') are of the view that in order to take advantage of Mr. Hemantpat Singhania counsel and advice, it would be appropriate that he continues to serve on the Board for next five years. Accordingly, the Board at the meeting held on 25th May, 2019, on the recommendation of the Committee, recommended for the approval of the Members, reappointment of Mr. Hemantpat Singhania as an Independent Director of the Company. Mr. Hemantpat Singhania and his relatives are interested in this Special Resolution.

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Special Resolution. The Board recommends this Special Resolution for your approval.

ITEM NO. 11

Section 188 of the Act and the applicable Rules framed there under provide that any Related Party Transaction will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company. The value of proposed aggregate transactions with Managing Director and Joint Managing Director will not exceed the said threshold limit. Accordingly, transaction(s) entered into with related party do not come within the meaning of Related Party transaction(s) in terms of provisions of the Act, applicable Rules framed there under read with the Listing Regulations.

The Board hereby recommends the shareholder for approval of related party transactions by way of special resolution.

By order of the Board

Ajay Kumar Jain
Company Secretary
FCS-5826

Place : New Delhi
Dated : 22nd July, 2019

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SIR SHADI LAL ENTERPRISES LIMITED

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ANNEXURE TO AGM NOTICE

26: Pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ('ICSI'), information in respect of the Directors seeking re-appointment at the AGM, is provided herein below:

Name of the Director	Mr. Rajat Lal	Mr. Rahul Lal	Mr. Hemantpat Singhania	Mr. Onke Aggarwal	Mr. R.C.Sharma	Mr. Neeraj Gupta
DIN	00112489	06575738	00141096	00141124	00023274	00317395
Date of Birth	04.09.1959	18.07.1989	15.12.1930	22.12.1931	24.01.1939	20.11.1968
Age (Years)	59	30	89	88	80	51
Category of the Director	Managing Director	Joint Managing Director	Non Executive Independent Director	Non Executive Independent Director	Non Executive Independent Director	Non Executive Professional Director
Educational Qualifications	B.Com, B.S. U.S.A.) MBA (U.S.A)	B.Com, MBA (USA)	Intermediate	B.A.	M.A.(Economics), B.A. (Economics & Geography) Punjab University Technical Higher Secondary School Delhi Polytechnic	Chartered Accountant
Experience	34 years	11 years	64 Years	63 years	55 Years	26 years
Expertise in specific functional areas	General Management	Expertise in specific functional areas	General Management	General Management	General Management	General Management
Date of Appointment on the Board	16.05.1983	27.04.2013	20.12.1955	31.03.1965	22.05.2002	26.05.2019
Terms and conditions of appointment	As per Details annexed	As per Details annexed	For a period of 5 years	For a period of 5 Years	For a period of 5 Years	Retire by rotation
Remuneration last drawn	As per Details annexed	As per Details annexed	As per Details annexed	As per Details annexed	As per Details annexed	As per Details annexed
Remuneration proposed to be given	As per Details annexed	As per Details annexed	Sitting Fee 20000/- per Meeting Attended	Sitting Fee @ 20000/- per Meeting Attended	Sitting Fee @ 20000/- per Meeting Attended	As per Details annexed
Number of shares held in the Company as on date	957375	287746	Nil	Nil	Nil	Nil
List of Directors held in other companies (excluding foreign, private and Section 8 companies)	Nil	Nil	Nil	Nil	Four	Eight
Chairmanship / Membership of Committees Audit and Stakeholders' Relationship Committees across Public Companies	Nil	Nil	Nil	Nil	Nil	Nil
Relationship between Directors inter se	Father of Mr. Rahul Lal	Son of Mr. Rajat Lal	Nil	Nil	Nil	Brother in Law of Mr. Rajat Lal
Number of meetings of the Board attended during the Financial year	5	2	5	5	4	0



DIRECTORS' REPORT

DEAR SHAREHOLDERS,

Your Directors hereby present the 85th Annual Report and the Financial Statements of the Company for the financial year ended March 31, 2019.

FINANCIAL RESULTS

During the year under review, the Sugar segment of your Company passed through a difficult period. The summarized financial results of the Company are presented below:

(Rs. in Lakhs)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a)	Total Revenue	37360.47	39987.79
b)	Profit (Loss) before providing for Exceptional Item and Depreciation	(3005.43)	(1987.01)
c)	Less: Exceptional Item	-	-
d)	Less: Provision for Depreciation	(496.16)	(397.96)
e)	Profit (Loss) before Tax	(3501.60)	(2384.97)
f)	Less : Provision for Tax	-	-
g)	Profit (Loss) from Continuing Operation	(3501.60)	(2384.97)
h)	Profit (Loss) from discontinuing Operation	-	-
i)	Profit (Loss) for the year	(3501.60)	(2384.97)
j)	Other Comprehensive Income	12.78	(359.40)
k)	Total Comprehensive Income for the period	(3488.82)	(2744.37)
l)	Basic earnings per share of Rs 10/- each	(66.697)	(45.428)
m)	Diluted earnings per share of Rs.10/- each	(66.697)	(45.428)

TRANSFER TO RESERVE

No amount is proposed to be transferred to General Reserve as the company has no profit.

DIVIDEND

In view of the Current year and carry forward losses, the Company does not have any divisible profits available for payment of dividend to equity shareholders. The Directors have therefore not recommended payment of any dividend for the year ended March 31, 2019.

FINANCE

Due to decrease in Sugar prices, the Sugar Mills in Uttar Pradesh suffered heavy Losses. However Distillery Unit of the Company was running at its full capacity and earned profit during the year in the Distillery Unit. The Bankers took a positive view of the Company

as a result of which Punjab National Bank and District Cooperative Bank Ghaziabad working capital Limit remain constant for the year 2018-19. The Banks, however, continue to be cautious in increasing their exposure to the Sugar industry, keeping in view the risk of Government intervention in the form of raw material pricing. The Company has also availed Soft Loan of Rs. 80 Crores from District Cooperative Bank, Ghaziabad.

INDIAN ACCOUNTING STANDARDS

Pursuant to notification dated February 16,2015 issued by the Ministry of Corporate affairs, the Company has adopted the Indian Accounting Standards ("Ind As") notified under the Companies (Indian Accounting Standards) Rules, 2015 as applicable to it with effect from April 01,2017 with the transition date April 01, 2016. Accordingly, the Financial Statements have been prepared in compliance with Ind AS and the comparative information of the previous years has been provided as per the prescribed requirements.

CHANGE IN RATING

There is change in Crisil long term rating of your Company (for total bank loan facilities upto Rs 200 Crores) and same is degraded from "Crisil B Stable" to Crisil C. This reflects improvement in the business risk profile which is expected to remain steady with moderate growth over the medium term. The rating however remains constrained on account of working capital intensive operation with significant accumulated losses and a high degree of regulatory risk in Sugar industry. Brickwork has assigned credit rating B to the company for the financial year 2019-20.

Material changes and commitments affecting the financial position between end of the financial year and date of the report.

There have been no material changes or commitments made which affect the financial position of the Company between end of the financial year and date of the report.

OPERATIONAL PERFORMANCE

SUGAR UNIT (UPPER DOAB SUGAR MILLS) :

INDUSTRY PROFILE:

India's Sugar production is likely to decline 8.4 per cent to 30.3 million tonnes for the second straight year in the 2019-20 marketing year that would begin from October because of likely fall in Sugarcane output. This includes 6,00,000 tonnes of khandsari and 29.7 of mill Sugar.

The Sugar output in the ongoing 2018-19 marketing year (October-September) is pegged at 33 million tonnes, lower than 34.3 million tonnes achieved in the previous year.

In addition, successive benefits from the dedicated supply of cane juice/B-heavy molasses for fuel ethanol production will further incentivize mills to divert excess Sugar to produce fuel ethanol and thus improve cash flows.

Despite the trend, for the third time in the last four years, Uttar Pradesh will be the largest producer of Sugar in India. This will partially compensate for lower output from Maharashtra and Karnataka.

Overall, Sugarcane output will be down 8 per cent to 355 million tonnes from 4.7 million hectares.

Assuming normal market conditions, India should be able to export upwards of 3.5 million tonnes of Sugar but with some incentives after adjusting for a modest rise in Sugar consumption to 28.5 million tonnes.

That will still leave stocks of a record 17 million tonnes, which is roughly seven months of consumption.

Total exports will include one million tonnes of Sugar re-exported under the Advance Authorization scheme (AAS) and the remaining 2.5 million tonnes will be commercial sales.

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However, declining Sugar prices in combination with a rising Fair and Remunerative Price (FRP) or State Advised Price (SAP) for SY 2018-19 has increased the backlog of the Sugar companies' dues payable to the farmers in the ongoing season, particularly in states where cane costs are not directly linked to Revenue Sharing Formula (RSF). In latter case, farmers are paid the FRP as a first installment; if dues to farmers under the RSF are more than the FRP, then they will be entitled to a second payment. The Fair and Remunerative Price (FRP) of Sugarcane for Sugar season 2018-19 at Rs. 275/- per quintal for a basic recovery rate of 10%; providing a premium of Rs. 2.75/qlt for each 0.1 % increase in recovery over and above 10%. The cost of production of Sugarcane for the Sugar season 2018-19 is Rs. 155 per quintal.

This FRP Rs. 275 per quintal at recovery rate of 10% is higher by 77.42% over production cost thereby ensuring the promise of giving the farmers a return of more than 50 % over their cost. Keeping the expected production of Sugarcane in the Sugar season 2018-19 the total remittance to the Sugarcane farmers will be more than Rs. 83,000 crore. The Government through its pro-farmer measures will ensure that Sugarcane farmers get their dues in time.

The Government with a view to protect interest of farmers has also decided that there shall not be any deduction in case of mills where recovery is below 9.5%. Such farmers will get Rs. 261.25 per quintal for Sugarcane in place of Rs. 255/qlt in the current season.

To help loss-making Sugar mills, the Centre has taken various initiatives during the last five months, including granting of Soft Loan at lowest interest rate.

The package included creation of buffer stock of 3 million tonnes of Sugar, providing soft loan of Rs 4,500 crore with interest subsidy for expansion of ethanol capacity, besides a production-linked subsidy worth Rs 1,500 crore to clear Sugarcane arrears of the farmers.

Further the Government hiked prices of ethanol extracted from final or C-molasses by Rs 2.85 per litre to Rs 43.70 per litre and also fixed for the first time the rate for ethanol produced from B-molasses (called intermediary molasses) at Rs 47.49 per litre for the 2018-19 season beginning December.

This move will help boost production of ethanol, used in blending with petrol, and also enable mills to divert some of the Sugarcane juice during the surplus crop year.

B) COMPANY OPERATIONS :

The operating performance of the Sugar unit for crushing season 2018-19, as compared to the previous crushing season 2017-18, is as under:

i)	Particulars	2018-19	2017-18
ii)	Gross working days	204	214
iii)	Cane crushed (lakh / qtls.)	108.23	115.63
iv)	Average cane crush (qtls. / day)	53056	54033
v)	Manufacturing losses (%)	2.05	1.98
vi)	Steam Consumption (% cane)	51.94	51.40
vii)	Average Sugar recovery (% cane)	10.95	10.87
viii)	Downtime (%)	9.77	2.38
ix)	Sugar production (lakh / qtls)	11.846	12.56

The Company cane crush was lowered by about 7.40 lakh qtls and higher recovery by 0.08% over the previous year. However the longer duration of the crushing season resulted in increase in manufacturing losses by 0.07% and the downtimes increase by 7.39% as compared to last year. The recovery % cane was higher mainly due to higher pol in cane which resulted from improved varietal mix and implementation of other cane development activities.

C) CANE DEVELOPMENT

Due to vigorous efforts made by the management in the area of Sugarcane development, the area under cultivation of high Sugar varieties of cane increased from 92% in season 2017-18 to 96% in season 2018-19. In addition, the management focused on execution of both extensive and intensive cane development activities comprising of appropriate usage of insecticides, pesticides and optimum use of fertilizers. Consequently, the Pol % cane increased by 0.15 i.e, from 12.85% in crushing season 2017-18 to 13.00% in crushing season 2018-19.

The management is further making efforts to increase the area under high Sugar variety cane upto 95% in the next season 2019-20. The management is also making efforts to increase the supply of cane at factory gate from 74.05% in crushing season 2018-19 to about 80% in crushing season 2019-20.

Extraneous materials such as trashes, green tops, diseased cane, mud with cane supplies have been reduced by 0.73% as a result of the close monitoring done by the management.

Management plans to continue these efforts in the next crushing season 2019-20 and consequently the Pol % cane is expected to further increase to about 13.40% from 13.00% in crushing season 2018-19.

DISTILLERY UNIT (SHAMLI DISTILLERY AND CHEMICAL WORKS) :

A) INDUSTRY PROFILE :

Government policy continues to focus on increasing the %age of mixing ethanol with petrol. Consequently, the demand for ethanol continues to increase, which has a positive effect on the financial performance of the distilleries like yours, which are focused on production of industrial alcohol

B) COMPANY OPERATIONS :

i) DISTILLERY EXPANSION PROJECT :

The Company undertook an expansion project of Distillery, whereby the production capacity of the Distillery was increased from 45 KL per day to 70 KL per day, was commissioned during last year and is now running on full capacity.

OPERATING PERFORMANCE :

The operating performance for the financial year 2018-19 as compared to the previous financial year 2017-18 is as under:

	Particulars	2018-19	2017-18
i)	Gross working days	195.68	270.00
ii)	Production – RS (lakh / ltrs)	51.51	30.25
iii)	Production – Ethanol (lakh / ltrs)	49.06	52.77
iv)	Alcohol recovery/qlt. molasses (AL)	21.13	21.93
v)	Fermentation efficiency (%)	89.05	89.06
vi)	Distillation efficiency (%)	98.54	98.55

Distillery production was high during 2018-19 since the plant was running at its full capacity.

Further analysis of operating performance for Sugar and Distillery segments are covered under "Management Discussion and Analysis Report" at Annexure 5 of this Report.

DIRECTORS

In accordance with the provisions of Companies Act, 2013 (the Act) and the Company's Article of Association, Mr. Rajat Lal, Managing Director and Mr. Rahul Lal, Joint Managing Director



retire by rotation under section 152 of the Act, and, being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting. Mr. Rahul Lal was appointed as Executive Director for a period of Five years w.e.f. July 1, 2018 to June 30, 2023 by the Board of Directors on the recommendation of the Nomination and Remuneration Committee in their meeting held on 26.05.2018 and confirmed in the Annual General Meeting held on 26.09.2018. His designation was changed to Joint Managing Director in the Board Meeting held on 25.05.2019 and also his remuneration was increased. Necessary resolutions for appointment / re-appointment of aforesaid Directors and change in designation and increase in salary have been included in the notice convening the ensuing Annual General Meeting.

The Board of Directors in its meeting held on 26.05.2018 appointed Mr. R.C. Sharma as the Chairman of the Board for 1 year. He was further reappointed as Chairman for a period of one year in the Board Meeting held on 25.05.2019. The Company also appointed Mr. Neeraj Gupta as Non Executive Professional Additional Director in the Board meeting held on 25.05.2019 up to the date of ensuing Annual General Meeting. Mr. R.C.Sharma, Mr. Onke Aggarwal and Mr. Hemantpat Singhania was also appointed for a further period of 5 years in the Board meeting subject to approval of the Shareholders in ensuing Annual General Meeting.

The required information pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") providing the experiences, qualifications, name of the company in which the above Directors hold Directorship and membership of the Committee of the Board are detailed in the notice convening the Annual General Meeting, against the relevant items of the agenda, which forms part of this annual report.

None of the Directors of the Company is disqualified from being appointed as Director as specified in terms of section 164(1) and (2) of the Companies Act, 2013.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The guidelines for selection of Directors are set out below:

The Nomination and Remuneration Committee of the Board of Directors oversees the Company's nomination process for Directors. The Committee identifies and reviews individual qualified candidates to serve as a Director on the Board. The Committee may act on its own for identifying the potential candidates. The Committee reviews and discusses each candidate and conducts evaluation of candidates in accordance with the process that it deems fit and appropriate, discusses with the promoters, and sends its recommendation for nomination to the Board of Directors based on the following guidelines:

ATTRIBUTES

1. For Independent Directors, the Committee seeks candidates who are not a nominee or related to the promoters of the Company. Such candidates shall possess integrity, leadership, skill, managerial qualities, foresight abilities and competency required to direct and oversee the Company's management in the best interest of stake holders i.e. shareholders, consumers, employees and the community it serves.
2. The candidate must be willing to regularly attend meetings of the Board and develop a strong understanding of the Company, its business and its need. He must contribute his / her time and knowledge for the Company and be prepared to exercise his / her duties with skill and care. Candidates should have

understanding of governance concept and legal duties of a Director.

3. The candidate should preferably have sufficient experience on the Board of a listed company.
4. For appointment of executive Directors, the Committee also seeks opinion of Promoters.

KEY MANAGERIAL PERSONNEL

The Details of key managerial personnel under section 203 of the Companies Act, 2013 and changes therein during the year are as under :

1. Mr. Rajat Lal, Managing Director
2. Mr. Vivek Vishvanathan, Joint Managing Director
3. Mr. Rahul Lal, Joint Managing Director
4. Mr. S.K. Jadia (resigned w.e.f. 16.09.2018)
5. Mr. Alok Mittal (Appointed w.e.f. 04.02.2019 and resigned on 25.02.2019)
6. Mr. Ajay Kumar Jain, Company Secretary

STATEMENT ON DECLARATIONS GIVEN BY THE INDEPENDENT DIRECTORS

All the Independent Directors have given declarations as per Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

INDEPENDENT DIRECTORS MEETING

A separate meeting of the Independent Directors (Annual Independent Directors Meeting) was convened on February 4, 2019 which reviewed the performance of the Board as a whole and of the non Independent Directors on the basis of the report of the nomination and remuneration Committee. The collective feedback of each Independent Director was discussed with the Board, covering performance of the Board as a whole and performance of non Independent Directors.

PERFORMANCE EVALUATION OF CHAIRMAN, DIRECTORS, BOARD AND COMMITTEES

Pursuant to the provisions of section 178 of the Companies Act, 2013 and Regulations 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the performance evaluation of non Independent Directors, the Board and Committee was undertaken by the nomination and remuneration Committee for the year under review. The performance evaluation report of the non Independent Directors, as done by the nomination and remuneration Committee, has been reviewed by the Independent Directors.

The performance evaluation of the Chairman and Independent Directors is done by the Board and the report of nomination and remuneration Committee for the non Independent Directors, as reviewed by the Independent Directors, is placed before the Board of Directors. The criteria for the performance evaluation are detailed in the report on Corporate Governance attached as Annexure 5 of this Report.

The evaluation framework for assessing the performance of Directors, the Board and Committees is done on the following parameters:

A) BOARD PERFORMANCE

1. Attendance and active participation
2. Knowledge of working of industry, experience in related issues
3. Leadership and initiative
4. Independent judgments on the Board discussions utilizing his knowledge and experience especially on issues related to strategy, operational performance and Risk Management

CONTD.....



5. Commitment to role and fiduciary responsibility as a Board member
6. Understanding the nature of Director's role, demonstrate awareness and concern about norms related to Corporate Governance, disclosure and legal compliance
7. Contribute new ideas / advise to management on business issues

B) COMMITTEE PERFORMANCE

1. The Committee is delivering on the defined objectives
2. The Committee has the right composition to deliver the objective

REMUNERATION POLICY

The Board, on the recommendations of the Nomination and Remuneration Committee, has framed a policy for selection and appointment of Directors, senior management and their remuneration. The remuneration policy is stated in the report on Corporate Governance attached at Annexure 5 of this Report.

MEETINGS

The calendar of meetings is prepared and circulated in advance to Directors.

During the financial year 2018-19, Five Board Meetings were held on 26.05.2018, 23.07.2018, 24.09.2018, 12.11.2018, 04.02.2019. The details of the same are given in the Corporate Governance Report attached at Annexure 5 of this Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS ' RESPONSIBILITY STATEMENT

Pursuant to the requirement of sub-section 134(3)(c) of the Companies Act, 2013 with respect to Director's Responsibility Statement, the Directors confirm that :

- i) In the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards, read with requirements set out under the Act, have been followed and there are no material departures from the same.
- ii) They have 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 as at March 31, 2019 and of the Loss of the Company for the financial year ended on that date.
- iii) They have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) They have prepared the annual accounts of the Company on a "going concern" basis.
- v) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

RELATED PARTY TRANSACTIONS

There are no materially significant related party transactions made by the Company with promoters, Directors, key managerial personnel and other designated persons which may have potential conflict with the interest of the Company at large. All related party transactions are placed before the Audit Committee and also Board of Directors for approval. The form for disclosure of particulars of contract / arrangements entered into by the Company with related parties

referred to in sub section(1) of section 188 of the Companies Act 2013 in form AOC -2 is given below:

FORM NO. AOC-2

(PURSUANT TO CLAUSE (B) OF SUB-SECTION (3) OF SECTION 134 OF THE ACT AND RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto :

1. Details of contracts or arrangements or transactions not at arm's length basis :

S.No.	Particulars	Details
a)	Names(s) of the related party & nature of relationship	N.A
b)	Nature of contracts / arrangements/ transaction	None
c)	Duration of the contracts/ arrangements/ transactions	N.A
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A
e)	Justification for entering into such contracts or arrangements or transactions	N.A
f)	Date of approval by the Board	N.A
g)	Amount paid as advances, if any	N.A
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	N.A

2. Details of contracts or arrangements or transactions at arm's length basis :

S.No	Particulars	Details
a)	Name(s) of the related party & relationship	Mr. Vivek Viswanathan, Jt. M.D
b)	Nature of contracts/ arrangements/ transaction	Tenancy agreement
c)	Duration of the contracts/ arrangements/ transactions	3 years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any.	Area -1333 sft, Rent / month - Rs.150 per sft, Notice- 3 months from either side
e)	Date of approval by the Board for renewal	Renewed upto May 28, 2022
f)	Advance paid, if any	Nil

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not made any loans or investments or given any guarantee during the year under review.

SUBSIDIARY COMPANIES

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



Compliance with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 by forming a disciplinary Committee as per provisions of the Act.

CODE OF CONDUCT

Code of Conduct for the Directors as well as for the members of the senior management of the Company was adopted in the Board meeting held on April 4, 2005 which was subsequently amended from time to time. The code is intended to serve as a basis for ethical decision making in conduct of professional work. The code of conduct states that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views and be upright in his conduct and observe corporate discipline. The said code of conduct has been circulated to all the Directors and members of senior management and the compliance of the same has been affirmed by them in respect of the financial year 2019-20. A copy of the code of conduct has been put up on the Company's website www.sirshadilal.com. A declaration regarding compliance of code of conduct is given by the Managing Director, under the head "code of conduct", that Board members and senior management team have complied with the same under Corporate Governance and forms part of this Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Whistle Blower Policy / Vigil Mechanism to deal with instances of fraud and mismanagement, if any.

A Vigilance Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

The details are given in the report on Corporate Governance attached as Annexure 5 of this Report.

PREVENTION OF INSIDER TRADING

The Company has adopted Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The code requires pre clearance for dealing in the company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Board is responsible for implementation of the code.

All Directors and the designated employees have confirmed compliance with the code.

AUDITORS

Mr. M. S. Gupta Proprietor M/s M. Sharan Gupta & Co. was appointed as Statutory Auditors of the Company for a period of 4 years in the Annual General Meeting of the Company held on 26.09.2018. As per amended provisions of Companies Act, 2013 there is no need for ratification of appointment of Auditor in each Annual General Meeting.

COMMENTS ON AUDITOR'S OBSERVATIONS

(i) Reply to paragraph no.1 of "Emphasis of Matter" in Auditor's Report relating to non maintenance of accounts on accrual basis:

As stated in the note no. 36 of the financial statement in respect of interest liability on delayed payment of sugar cane price. The company has not provided towards interest liability of late payment of cane price for the current year Rs. 607.19 lakh and also for Rs. 5361.83 Lakh relating to subsequent year 2015-16 to 2018-19, in the view of the Supreme Court order no. 35113/2017 dated 23.04.2018.

The company is contemplating to file a review petition against above mentioned order of Supreme Court, therefore no provision has been made for the above mentioned liability.

(ii) Reply to paragraph no.2 of "Emphasis of Matter" in Auditor's Report relating to bonus liability:

As stated in note no. 37 of the financial statement in respect of bonus liability, due to amendment in Payment of Bonus (Amendment) Act 2015, in terms of which the ceiling of payment of bonus has been revised w.e.f. 1st April, 2014. Certain High Courts have stayed implementation of revision of bonus Act from retrospective effect. Indian Sugar Mills Association have also filed Writ against implementation of the order regard to retrospective effect from 1st April, 2014. The matter is subjudice.

COST AUDITOR

The shareholders of the Company approved appointment of Mr. Rishi Mohan Bansal, Cost Auditor, for conducting the cost Audit for Sugar and industrial alcohol business for the financial year 2018-19.

The cost Audit reports for the last Audited accounts for the financial year ended March 31, 2018 were filed by the Cost Auditor with respect to Sugar and industrial alcohol business on August 3, 2018, which is within the due date. There was no adverse or negative remark in the reports.

As per the Companies Act, 2013, Cost Auditors need to be appointed within 180 days from the commencement of every financial year. Accordingly, the Company has appointed Mr. Rishi Mohan Bansal as Cost Auditor for conducting the cost Audit of Sugar and Industrial alcohol for the financial year 2019-20. The appointment is subject to ratification in the ensuing Annual General Meeting.

SECRETARIAL AUDITOR

The Board of Directors of the Company appointed M/s Rahul Saini & Co., Company Secretaries (Membership No. ACS 16716, C.P.No. 7009), as the Secretarial Auditors to conduct the secretarial Audit of for the financial year ended March 31, 2019.

The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith as Annexure [I] to this Report. There is no qualification, reservation or adverse remark or disclaimer in the report.

FIXED DEPOSITS

The Company has not invited or accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 during the year under report. In terms of proviso to Rule 2 (1) (c) (viii) of the Companies (Acceptance of Deposits) Rules, 2014, the Board hereby report that the Company has borrowed unsecured loans from the Managing Director of Rs 10.00 Crores for the purpose of business during the year under review. They have furnished necessary declarations to the Company that the said amounts have not been given out of funds acquired by them by borrowing from others.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in form MGT-9 is annexed with Annexure-2 of this Report and also on the web site of the Company. www.sirshadilal.com

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FRAUD REPORTING

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Audit Committee or the Board of Directors during the year under review.

DISCLOSURE OF RATIO OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONS

As required under section 197(12), read with rule 5 of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014, the details of the ratio of the remuneration of each Director to the median employee's remuneration and such other details as prescribed therein are given in Annexure-3 of this Report.

PARTICULARS OF EMPLOYEES

The information required pursuant to section 197(12), read with rule 5 of the Companies (Appointment and remuneration of managerial personnel) rules, 2014, in respect of the employees of the Company are given in Annexure -3 of this Report.

DETAIL OF SHARES WITH DIFFERENTIAL VOTING RIGHT, SWEAT EQUITY SHARE AND ESOP SCHEME

The Company has not issued shares with differential voting right and sweat equity shares. There was no scheme of ESOP during the financial year.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

RISK MANAGEMENT

Pursuant to section 134(3) (n) of the Companies Act, 2013 and Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a business Risk Management Committee. The details of the Committee, its terms of reference, risks associated and their mitigation are set out in the report on Corporate Governance attached at Annexure 5 of this Report.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an internal control system commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the internal Audit department reports to the Audit Committee of the Board. The details of the Internal Control System and their adequacy are given in the report on Corporate Governance attached at Annexure 5 of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company had constituted CSR Committee in the Board Meeting held on 08.08.2017 as the Company has earned profits more than 5 Crore in the preceding financial years. The Board of Directors of the Company has approved the CSR Policy in the Board of Directors meeting held on August 8, 2017. As per the provisions of Section 135 of the Companies Act 2013, there is no liability of the Company to spend in CSR Activity as the Company has not earned any income during the year and it has a net loss of Rs. 34.88 Crores and its Net Worth is completely eroded.

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts), Rules, 2014, are provided in Annexure 4 of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The performance of both the business segments of the Company i.e. Sugar and Alcohol, for the year ended March 31, 2019 and current year prospects, as required under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been detailed in the "Management Discussion and Analysis Report" in the report on Corporate Governance attached at Annexure 5 of this Report.

CORPORATE GOVERNANCE

The Company complies with all the mandatory requirements as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations). The separate section on Corporate Governance, including a certificate from a practicing company secretary confirming compliance of the conditions of Corporate Governance, as stipulated under regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), is given in Annexure-5 of this Report.

DISCLOSURE POLICY

In line with requirements under regulation 30 of the Listing Regulations, the Company has framed a policy on disclosure of material events and information as per the Listing Regulations, which is available on our website at <https://www.sirshadilal.com/corporategovernance>.

LISTING ARRANGEMENT

The shares of the Company are listed with the BSE Limited. The annual listing fee for the year 2019-20 has been paid to the Exchange.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION, AND REDRESSAL) ACT, 2013

The Company confirms that there is no complaint / case filed against or pending with the Company during the financial year 2018-19.

INDUSTRIAL RELATIONS

The industrial relations remained generally cordial during the year at both the plants of the Company.

APPRECIATION

Your Director's wish to place on record their sincere thanks and appreciation for the devoted services rendered by the employees of the Company at all levels. We also place on record our appreciation to the Financial Institutions, State Bank of India, Punjab National Bank, Zila Sahkari Bank Ltd., Other Business Associates and Government Authorities for their valuable cooperation and support from time to time. We would also like to express our thanks to our Shareholders for their continued confidence in the Company.

For and on behalf of the Board of Directors of
Sir Shadi Lal Enterprises Ltd.,

	Rajat Lal	R.C. Sharma
Place: New Delhi	Managing Director	Chairman
Dated: 22nd July, 2019	(DIN-00112489)	(DIN-00023274)



ANNEXURE '1' TO DIRECTORS ' REPORT

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
Sir Shadi Lal Enterprises Limited,
4A, Hansalaya, 15, Barakhamba Road,
New Delhi -110001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sir Shadi Lal Enterprises Limited (CIN:L51909DL1933PLC009509) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial Audit, We hereby report that in our opinion, the Company has during the Audit period covering the financial year ended on 31st March, 2019 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliances - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial Year ended 31st March, 2019, according to provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings; (Not Applicable to the Company during the Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);

- (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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period);and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other laws specifically applicable to the Company:-
 - (a) Sugar Cess Act, 1982,
 - (b) Food Safety and Standards Act, 2006,
 - (c) Essential Commodities Act, 1955, and
 - (d) Sugar Development Fund Act, 1982

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

- (i) Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) The Listing Agreement entered into by the Company with BSE 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 changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 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.

For RAHUL SAINI & CO.
Company Secretaries

RAHUL SAINI
Proprietor

Place: MEERUT
Date: 22nd July, 2019

ACS 16716;C.P. No. 7009



‘ANNEXURE A’

To,
The Members
Sir Shadi Lal Enterprises Limited,
4A, Hansalaya, 15, Barakhamba Road,
New Delhi -110001

Our Secretarial Audit Report for the financial year ended 31st March, 2019 of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the Audit practices and process 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 process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure 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.

For RAHUL SAINI & CO.
Company Secretaries

RAHUL SAINI
Proprietor
ACS 16716;C.P. No. 7009

Place: MEERUT
Date: 22nd July, 2019



ANNEXURE '2' TO DIRECTORS' REPORT

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended March 31, 2019

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

I. REGISTRATION & OTHER DETAILS :

1.	CIN	L51909DL1933PLC009509
2.	Registration Date	13.01.1933
3.	Name of the Company	SIR SHADI LAL ENTERPRISES LIMITED
4.	Category/Sub-category of the Company	PUBLIC LIMITED
5.	Address of the Registered office & contact details	4-A, Hansalaya, 15, Barakhamba Road, NEW DELHI 110 001 Tel.No. 011-23316409. 23310414 Website-www.sirshadilal.com E-mail: udsm_shamli@sirshadilal.com
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Alankit Assignments Ltd., 'Alankit House, 2-E/21, Jhanedewalan Extn. NEW DELHI 110 055 Tel.No. 011-42541956 & 42541234

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of
1	SUGAR	10721	89.40
2	ALCOHOL	1101	10.60

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ associate	% of shares held	Applicable Section
	No				



SIR SHADI LAL ENTERPRISES LIMITED

ANNEXURE TO DIRECTORS' REPORT CONTD.....

VI. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2900220	-	2900220	55.242	2865290	-	2865290	54.577	-0.665
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	2900220	-	2900220	55.242	2865290	-	2865290	54.577	-0.665
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any Other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	2900220	-	2900220	55.242	2865290	-	2865290	54.577	-0.665
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Financial Institutions/Banks	340228	-	340228	6.480	340228	-	340228	6.480	-
c) Central Govt.	130986	-	130986	2.495	130986	-	130986	2.495	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h) Any Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	471214	-	471214	8.975	471214	-	471214	8.975	
2. Non-Institutions									
a) Bodies Corp.	257146	19000	276146	5.260	242556	18676	261232	4.976	-0.284
i) Indian	-	-	-	-	-	-	-	-	-
Central Govt./ State Govt.	-	-	-	-	-	-	-	-	-
HUF	-	-	-	-	63085	-	63085	1.201	+1.201
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1021214	356395	1377609	26.240	1040503	285739	1326242	25.262	-0.978
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	210106	-	210106	4.003	250022	-	250022	4.763	+0.760
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	12428	2277	14705	0.280	10638	2277	12915	0.246	-0.034
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	1500894	377672	1878566	35.783	1606804	306692	1913496	36.448	+0.665
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1972108	377672	2349780	44.758	2078018	306692	2384710	45.423	0.665
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4872328	377672	5250000	100.000	4943308	306692	5250000	100.000	-

**B) SHAREHOLDING OF PROMOTER**

SN	Shareholder's Name	Shareholding at the beginning of the year (As on March 31, 2018)			Shareholding at the end of the year (As on March 31, 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	Sh. Rajat Lal	943421	17.970	-	954658	18.184	-	+0.214
2	Smt. Poonam Lal W/o Sh. Rajat Lal	287745	5.481	-	287745	5.481	-	-
3	Sh. Rahul Lal S/o Sh. Rajat Lal	287746	5.481	-	287746	5.481	-	-
4	Miss. Pooja Lal D/o Sh. Rajat Lal	5	-	-	5	-	-	-
5	Smt. Sudha Singhania	46167	0.879	-	-	-	-	-0.879
6	Sh. Vivek Viswanathan	1296004	24.686	-	1296004	24.686	-	-
7	Smt. Radhika Viswanathan Hoon Sister of Sh. Vivek Viswanathan	39132	0.745	-	39132	0.745	-	-
	Total	2900220	55.242	-	2865290	54.577	-	-0.665

C) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year :				
	Sudha Singhania	46167	0.879	-	-
	Rajat Lal	943421	17.970	954658	18.184
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
	At the end of the year	989588	18.849	954658	18.184

D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS:

(OTHER THAN DIRECTORS , PROMOTERS AND HOLDERS OF GDRS AND ADRS):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Life Insurance Corporation of India				
	At the beginning of the year 31.03.2018	340026	6.477	340026	6.477
	At the end of the year 31.03.2019	340026	6.477	340026	6.477
2	Investor Education & Protection Fund Authority				
	At the beginning of the year 31.03.2018	130986	2.494	130986	2.494
	At the end of the year 31.03.2019	130986	2.494	130986	2.494
3	Sh. Arun Nahar				
	At the beginning of the year 31.03.2018	48750	0.929	48750	0.929
	At the end of the year 31.03.2019	48750	0.929	48750	0.929

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4	Madhulika Chandra				
	At the beginning of the year 31.03.2018	0	0	0	0
	At the end of the year 31.03.2019	43485	0.828	43485	0.828
5	Fortress Advisors LLP				
	At the beginning of the year 31.03.2018	42190	0.804	42190	0.804
	At the end of the year 31.03.2019	42190	0.804	42190	0.804
6	Raviraj Developers Ltd.				
	At the beginning of the year 31.03.2018	0	0	0	0
	At the end of the year 31.03.2019	35871	0.683	35871	0.683
7	Sh. Mahendra Girdhari Lal				
	At the beginning of the year 31.03.2018	34996	0.667	34996	0.667
	At the end of the year 31.03.2019	34996	0.667	34996	0.667
8	Gulshan Rai Wadhwa				
	At the beginning of the year 31.03.2018	0	0	0	0
	At the end of the year 31.03.2019	33431	0.637	33431	0.637
9	Vinod Chandra Mansukh Lal Parekh				
	At the beginning of the year 31.03.2018	24161	0.460	24161	0.460
	At the end of the year 31.03.2019	24161	0.460	24161	0.460
10	Shri Ratan Lal Gupta				
	At the beginning of the year 31.03.2018	23789	0.453	23789	0.453
	At the end of the year 31.03.2019	23789	0.453	23789	0.453

E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S.No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Name of the Directors				
2.	Sh. Rajat Lal	943421	17.970	954658	18.183
3.	Sh. Vivek Viswanathan	1296004	24.686	1296004	24.686
4.	Sh. Rahul Lal	287746	5.481	287746	5.481
5.	Sh. Onke Aggarwal	20315	0.387	20315	0.387
6.	Smt. Radhika Viswanathan Hoon	39132	0.745	39132	0.745
	Total	2586618	49.269	2597855	49.482
	Shareholding of KMP Other than MD/Manager /WTD				
	Sh. Ajay Kumar Jain	-	-	-	-

V) INDEBTEDNESS -INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14404.61	1252.32	95.02	15751.95
ii) Interest due but not paid	154.21	-	-	154.21
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	14558.82	1252.32	95.02	15906.16
Change in Indebtedness during the financial year				
* Addition	8000.00	928.61	-	8928.61
* Reduction	2261.22	-	-	2261.22
Net Change	5738.78	928.61	-	6667.39
Indebtedness at the end of the financial year				
i) Principal Amount	20055.52	2180.93	95.02	22331.47
ii) Interest due but not paid	141.13	-	-	141.13
iii) Interest accrued but not due	100.95	-	-	100.95
Total (i+ii+iii)	20297.60	2180.93	95.02	22573.55

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and /or Manager:**

S No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	Name	Sh. Rajat Lal	Sh. Vivek Viswanathan	Sh. Rahul Lal	(Rs.)
	Designation	M.D.	Jt. M.D.	Jt. M.D.	
1	Gross salary	1512000	1386000	246851	3144851
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1122486	955281	172158	2249925
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	408240	374220	66649	849109
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	3042726	2715501	485658	6243885
	Ceiling as per the Act	60,00,000	60,00,000	60,00,000	

B. REMUNERATION TO OTHER DIRECTORS

SN.	Particulars of Remuneration	Name of Directors			Total
		Sh. Onke Aggarwal	Sh. R.C. Sharma	Sh. Hemantpat Singhania	(Rs.)
1	Independent Directors	240000	220000	200000	660000
	Fee for attending Board Committee Meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	240000	220000	200000	660000
2	Other Non-Executive Directors	Smt.Radhika Viswanathan Hoon	Sh.Ajit Hoon		
	Fee for attending Board Committee Meetings	180000	80000		260000
	Commission	-	-		-
	Others, please specify	-	-		-
	Total (2)	180000	80000		260000
	Total (B)=(1+2)	420000	300000	200000	920000
	Total Managerial Remuneration	-	-		-
	Overall Ceiling as per the Act	Overall ceiling for Non-Executive Directors is 1% of the net profit calculated as per section 198 of the Companies Act 2013. There was accumulated loss during the year calculated in terms of the said section.			

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

SN	Particulars of Remuneration	Key Managerial Personnel			
	Name	Sh. S.K. Jadia*	Sh. Alok Mittal**	Sh. Ajay Kumar Jain	Total Amount(Rs.)
	Designation	CFO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1382985	716674	1036608	3136267
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	1382985	716674	1036608	3136267

* Shri S.K.Jadia Chief Financial Officer has resigned w.e.f. 16.09.2018

** Shri Alok Mittal Chief Financial Officer has resigned w.e.f. 25.02.2019

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					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors of
Sir Shadi Lal Enterprises Ltd.,

Place: New Delhi
Dated: 22nd July, 2019

Rajat Lal
Managing Director
(DIN-00112489)

R.C. Sharma
Chairman
(DIN-00023274)



ANNEXURE '3' TO THE DIRECTORS' REPORT

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial Year:

Sr. No	Name of Directors	Commission	Sitting Fee	Salary	Perquisite	Total	Ratio (Times)
A	Median Employee	247472*					
1	Sh. Rajat Lal	NIL		1512000	1530726	3042726	12.29
2	Sh. Vivek Viswanathan	NIL		1386000	1329501	2715501	10.97
3	Sh. Rahul Lal	NIL		246851	238807	485658	1.96
4	Sh. Onke Aggarwal	NIL	240000				0.97
5	Sh. H. P. Singhania	NIL	200000				0.81
6	Sh R. C. Sharma	NIL	220000				0.89
7	Smt. Radhika Viswanathan Hoon	NIL	180000				0.73
8	Sh. Ajit Hoon	NIL	80000				0.32

Perquisites include HRA, Electricity & Fuel Charges, Medical reimbursement, Medclaim and personal accident insurance premium, Company's Contribution to P.F.

*Median salary of employee is the average of the median salary of officers and workers

ii) Percentage increase in remuneration of Directors / Key Managerial Personnel's

Sr. No	Name of Directors /KMPs	% increase in Remuneration
1	Sh. Rajat Lal, MD	-0.86
2	Sh. Vivek Viswanathan, Jt. MD	2.99
3	Sh. Rahul Lal, Jt. MD	-16.10
4	Sh. Onke Aggarwal, Director	-20
5	Sh. H. P. Singhania, Director	-9.09
6	Sh. R. C. Sharma, Director	-26.66
7	Smt. Radhika Viswanathan Hoon, Director	NIL
8	Sh. Ajit Hoon, Director	-20
9	Sh. Ajay Kumar Jain	N.A.

iii) The Percentage decrease in median remuneration of Employees in the financial year is 21.58%

iv) Total No. of permanent employees as on 31.03.2019 - 927

v) The Explanation on the relationship between average increase in remuneration and Company Performance-

The average increase in remuneration cannot be compared with the revenue/profit of the Company, as the Company has accumulated losses, but it takes into account the inflation rate in the market, and package offered by other Companies of Industry.

vi) Comparison of remuneration of Key Managerial Personnel against the performance of the Company:

The average increase in remuneration cannot be compared with the revenue/profit of the Company as the Company is incurring losses in past years, but it takes into account the inflation rate in the market as well as keeping in view remuneration package offered by the other corporate houses of the industry and increase in the responsibility.

vii) Variation in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	2018-19	2017-18	2016-17	% Change
Market Capitalisation (Rs. In Lacs)	5040.00	5040.00	5040.00	No change
Price Earnings Ratio	34.19	34.19	34.19	

viii) Price increase over decrease in the market quotations of the shares of the Company in Comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.



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Particulars	31.03.2019	Public Offer (Buy Back) EGM 27 th May, 1999 in Rs	% Change
Market Price (BSE) in Rs.	39.65	40	-0.875%

- ix) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

No such differentiation was followed in giving the increment during the last financial year. The average increment in salary was on the basis of individual performance.

- x) The Key parameters for any variable component of remuneration availed by the Directors :

The Members had, at the AGM of the Company held on 30th September, 2002 approved payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act. In case of profit the said commission is decided each year by the Board of Directors. The Company has accumulated losses; hence no such commission is paid during the year.

- xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

The highest paid Director is the Managing Director. No employee has received remuneration in excess of the Managing Director.

- xii) Affirmation that the remuneration is as per the Remuneration Policy of the Company

The Company's Remuneration Policy is based on the principle of internal equity, competence and experience of the employee and industry standards. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce and engaged workforce. The Company follows a compensation of Salary and perquisites on the basis of individual performance through annual appraisal process and business performance. The Company affirms remuneration is as per the Remuneration Policy of the Company.

STATEMENT CONTAINING INFORMATION AS PER SECTION 197 READ WITH THE RULE 5(2) COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014, AS AMENDED UP-TO-DATE AND FORMING PART OF Directors ' REPORT FOR THE YEAR ENDED 31ST MARCH, 2019.

Sl. No.	Name	Age/ Years	Designation/ Nature of Duties	Qualification	Experi-ence (Years)	Date of commencement of employment	Remuneration paid (Rs.)	Previous Employer
1	Rambir Khokhar	48	CHIEF OPERATING OFFICER	M.Tech, AMIE	22	06.02.2015	2648020	Mawana Group
2	Santosh Kr. Jadia	52	CHIEF FINANCIAL OFFICER	M.Com, FCA	19	21.09.2017	1382087	N.A.
3	Subodh Kr. Singh Raghuvanshy	59	Sr.G.M.(HR)	BA, LLB	35	02.02.2015	1340856	Balrampur Group
4	Kuldeep Pilia	44	G.M.(CANE)	M.Sc., PhD	25	26.08.2017	1190016	Komuna Sugar
5	Akhlesh Kr. Gupta	51	G.M.(COMPUTER)	M.Com, PGDCA	30	15.01.1996	110270 2	Triveni Engg & Industries Limited
6	Pankaj Kr. Aggarwal	51	G.M.(PRODUCTION)	ANSI (Sugar Tech.)	26	25.12.1991	1085424	SVP Industries Limited
7	Ajay Kr. Jain	43	COMPANY SECRETARY	M.Com, LLB, FCS, NET, PHD, P.E-II	20	11.09.2017	1036608	Tikaula Sugar Mills Limited
8	Surendra Pal Singh	51	ASSTT. G.M. (ENGG & CO-GEN)	Diploma in Electrical Engg.	35	01.11.2017	931692	Bajaj Hindustan Ltd.
9	Manoj Kr. Goel	57	Additional G.M.	B.Com, MBA	33	11.12.1990	1430624	Rama Vision Ltd.
10	Mr. Praveen Kr. Srivastva	51	Sr. GM (Distillery)	BSC, DIFAT	28	01.07.2017	1376880	Jubilant Group



(I) EMPLOYED THROUGHOUT THE FINANCIAL YEAR AND WERE IN RECEIPT OF REMUNERATION IN AGGREGATE OF NOT LESS THAN RS.1,02,00,000 PER ANNUM

- NIL -

EMPLOYED FOR PART OF THE FINANCIAL YEAR AND WERE IN RECEIPT OF REMUNERATION AT A RATE NOT LESS THAN RS. 8,50,000 PER MONTH.

- NIL -

EMPLOYED THROUGHOUT THE FINANCIAL YEAR OR PART THERE OF, WAS IN RECEIPT OF REMUNERATION IN THAT YEAR WHICH, IN THE AGGREGATE, OR AS THE CASE MAY BE, AT A RATE WHICH, IN THE AGGREGATE, IS IN EXCESS OF THAT DRAWN BY THE MANAGING DIRECTOR OR WHOLE TIME DIRECTOR OR MANAGER AND HOLDS BY HIMSELF OR ALONG WITH THE SPOUSE AND DEPENDENT CHILDREN, NOT LESS THAN TWO PERCENT OF THE EQUITY SHARES OF THE COMPANY.

- NIL -

For and on behalf of the Board of Directors of
Sir Shadi Lal Enterprises Ltd.,

Place: New Delhi
Dated: 22nd July, 2019

Rajat Lal
Managing Director
(DIN-00112489)

R.C. Sharma
Chairman
(DIN-00023274)

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ANNEXURE '4' TO THE DIRECTORS' REPORT

Information as per section 134 (3) (m) and forming part of the Directors' report for the year ended 31st March, 2019.

A. CONSERVATION OF ENERGY

1) Energy conservation measures taken:

Energy conservation is an on-going activity in the Company and the efforts to conserve energy through improved operational methods and other means are continuing on a regular basis. Details of measures taken for energy conservation during the financial year 2018-19 at the units are provided as below.

UPPER DOAB SUGAR MILLS

Rs. nil expenditure incurred on energy Conservation during the year 2018-19

SHAMLI DISTILLERY & CHEMICAL WORKS

Rs. Nil expenditure incurred on energy Conservation during the year 2018-19.

<p>2) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.</p>	<p>Upper Doab Sugar Mills</p> <ol style="list-style-type: none"> 1. Installation of 5 Nos. planetary drives in Batch Crystalliser, Magma Mixer, Pungmill 2. Installation of 3 Nos. Hi-Flow Pumps for B.H. & C.L. Molasses 3. Reallocation of mill No.4 4. Installation of 60 T Truck Tippler <p>Shamli Distillery & Chemical Works</p> <p>Installation of 1.2 M.W. Turbines.</p> <p>The Turbine has installed in 2018-19 at a Total Cost of Rs. 214.53 Lacs</p> <p>Plant capacity expand to 70 KLPD wash to Rectified Spirit Plant and one additional 35 KLPD Rectified Spirit to Ethanol Plant with Molecular Sieve Dehydration Technology.</p>
<p>3) Impact of the measure at (1) & (2) above for reduction of energy consumption and consequent impact on the cost of production.</p>	<p>Upper Doab Sugar Mills</p> <p>Installation of high flow pumps, saved 0.50 lac units of electricity.</p> <p>Shamli Distillery & Chemical Works</p> <p>This saves Total Cost of Rs. 50 Lacs.</p>
<p>B. Technology Absorption</p>	
<p>I) Technology absorption measures taken :</p>	
<p>Research & Development (R&D)</p> <p>1. Specific Areas :</p>	<p>i) Upper Doab Sugar Mills</p> <ul style="list-style-type: none"> ➤ Varietal balance – maintaining desired varietal balance ➤ Improved varieties – replacement of rejected and low pol varieties ➤ Future sustainability of co 0238 cane varieties – healthy seed programme ➤ Crop age – shifting of summer planting (after wheat harvesting) into autumn or winter planting ➤ Maximise the cane yield per unit area – introduction of wide row planting ➤ Crop health – to protect the cane crop from borers, white gruth & wild animals ➤ Soil health – optimum use of phosphatic and potassic fertilizers ➤ Extension & communication strategy <p>ii) Shamli Distillery & Chemical Works</p> <p>Capacity expanded from 45 klpd to 70 klpd wash to RS plant with implementation of pollution norms and RS to absolute alcohol with molecular sieve dehydration technology.</p>



2. Benefits derived as a results of the above R & D	<p>i) Upper Doab Sugar Mills</p> <ul style="list-style-type: none"> ➤ Increase in area under early varieties from 92% to 98% for the season 2019-20 ➤ Replacement of rejected & low pol varieties with other improved varieties resulting in reduction from 7% to Nil for the season 2019-20 ➤ Supply of insect pest, disease & trash free quality cane to the factory thereby maintaining quality of cane to optimum level ➤ In the season 2018-19, Pol in cane increased by 0.15% compared to season 2017-18 & we are hoping that pol in cane would be 13.40% in coming season 2019-20 ➤ Reduction in supply of extraneous matter compared to previous season from 3.07 to 2.67% <p>ii) Shamli Distillery & Chemical Works</p> <ul style="list-style-type: none"> ➤ By increasing Plant Capacity to 70 KLPD, the Company Production has increased. ➤ With the installation of new 70 KLPD Plant our Steam Consumption for the Production of Ethanol is 1.8 Kg. / Lit. as against 3.1 Kg. / Lit. in past 45 KLPD wash Plant. Therefore there is net saving of 1.3 Kg. / Lit. ➤ Due to increase in R.S. production capacity, there is an increase in Bio-gas generation, which is reducing fuel cost. ➤ The increase in capacity of Distillery will reduced the cost of Production of ethanol and more production will give better margin of Profit in Distillery.
3. Expenditure on R & D: (Cane Development)	
a) Capital	Nil
b) Recurring	Rs. 51.97 Lacs
c) Total	Rs. 51.97 Lacs
d) Total R & D expenditure as a percentage of total turnover	0.16 %
4. Pollution Control measures in Sugar and Distillery Units	<p>In compliance to the directions of UP Pollution Control Board, we have installed cone carbon filter & one sand filter for tertiary treatment of water after treatment in ETP for irrigation purpose online monitoring system for treating the effluent treatment and mini cooling tower for cooling excess condensation for recycling consumption</p> <p>For Distillery- effluent treatment- system for achieving zero liquid discharge as per the central pollution control Board/U.P. pollution control Board directions adopted multi pressure distillation with integrated multi effect evaporator to concentrate spent wash and finally use of this spent wash for producing bio compost to achieve zero liquid discharge as per the U.P. pollution control Board guide-lines.</p> <p>The Company is also in process of installing incineration Boiler</p>
5. Future plan of action	<p>Upper Doab Sugar Mills</p> <p>Expansion of plant capacity to 292 TCH OR 7000 TCD with improvement in average crush by 800 TCD ie. From 5300 TCD to 6100 TCD & reduction of steam consumption % by 3.50% on cane ie. from 51.5% to 48% on cane</p>
II. Technology absorption, adaptation and innovation:	
i) Efforts, in brief, made towards technology absorption, adaptation and innovation	<p>Upper Doab Sugar Mills</p> <p>Installation of one film type sulphur burner with waste heat recovery unit for steam/power saving</p>
ii) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.	<p>Upper Doab Sugar Mills</p> <p>Extra revenue of about Rs. 32 to Rs. 35 crores per season which will help to increase the net profit of the Sugar unit and the quality of Sugar will improve which will improve realization</p>

CONTD.....



SIR SHADI LAL ENTERPRISES LIMITED

- iii) In case of imported technology (imported last five years reckoned from the beginning of the financial year), following information may be furnished:
- a) Technology imported
 - b) Year of import
 - c) Has technology been fully absorbed?
 - d) If not fully absorbed, areas where this has not taken place, reasons there for, and future plans of action

No technology has been imported during the last five years.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports, initiative taken to increase exports, development of new export markets for products and service and export plans.

The Company did not make any export during the year

- b) Total Foreign Exchange used and earned:

Used

Nil

Earned

Nil

For and on behalf of the Board of Directors of
Sir Shadi Lal Enterprises Ltd.,

Place: New Delhi
Dated: 22nd July, 2019

Rajat Lal
Managing Director
(DIN-00112489)

R.C. Sharma
Chairman
(DIN-00023274)



ANNEXURE-‘5’ TO THE DIRECTORS’ REPORT ON CORPORATE GOVERNANCE FORMING PART OF THE DIRECTOR’S REPORT

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. The detailed report on the Corporate Governance, as prescribed by SEBI and incorporated in Regulation 15 of SEBI (LODR) Regulations 2015, is set out below:

(1) COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE :

The Company continues to believe that good Corporate Governance is the function of adherence to ethical business practices and introduction of value based systems and procedures in the organization. The Corporate Governance in this way shall usher in an era of enhancement of intrinsic strength of the organization as also of its stakeholders. The Company further believes that such practices are founded upon the core values of transparency, empowerment, accountability, Independent monitoring and environmental consciousness. The Company makes its best endeavor to uphold and nurture these core values in all aspects of its operations.

(2) BOARD OF DIRECTORS :

COMPOSITION AND CATEGORY:

The policy of the Company is to maintain optimum combination of Executive and Non-Executive Directors. The present strength of the Board of Director is 9 out of which 3 are Independent Directors. The Chairman of the Board is an Independent Director. The Board meets the requirement of not less than one- third being Independent Directors. All the Directors inform the Company Secretary every year about the Directors hip / Chairmanship of the Board and Board Committee membership which they hold in other companies. They also inform any change as and when it takes place. Company Secretary places these disclosures before the Board. The category, composition, attendance of each Director at the Board meetings / last Annual General Meeting and number of Directors hip / Chairmanship and membership of Board Committees in other companies is given hereunder:

S. No.	Name	Category of Director	Attendance at Board meetings*	Attendance at last AGM	No. of other Directorships		Membership/ Chairmanship in Board Committees of other companies	
					Public	Private	Chairman	Member
1.	Sh. R.C. Sharma# (Chairman)	Non-Executive Independent	4	No	4	–	–	–
2.	Sh. Rajat Lal, Managing Director	Promoter, Executive	5	Yes	1	–	–	–
3.	Sh. Vivek Viswanathan, Joint Managing Director	Promoter, Executive	5	Yes	1	–	–	–
4.	Sh. Rahul Lal, Joint Managing Director	Promoter, Executive	2	No	–	–	–	–
5.	Sh. Hemantpat Singhania#	Non Executive, Independent	5	Yes	2	1	3	–
6.	Sh. Onke Aggarwal#	Non Executive Independent	5	Yes	–	–	–	–
7.	Smt. Radhika Viswanathan Hoon	Non-Executive	5	Yes	–	–	–	–
8.	Sh. Ajit Hoon	Non-Executive	4	Yes	2	–	–	–
9.	Sh. Neeraj Guta	Non-Executive Professional	–	No	5	2	–	–

*During the financial year 2018-19 Five Board Meetings were held on 26.05.2018, 23.07.2018, 24.09.2018, 12.11.2018 and 04.02.2019

** Mr. Neeraj Gupta was appointed as Additional Director in the Board Meeting held on 25.05.2019



Mr. Onke Aggarwal, Mr. Hemant Pat Singhania and Mr. R.C.Sharma were appointed as Independent Directors of the Company in the Annual General Meeting of the Company held on 22.09.2014 for five consecutive years from 22.09.2014 to 21.09.2019. The Company has appointed them as Independent Director for a further period of 5 years subject to approval of members in Annual General Meeting. Brief profile of all the Directors, nature of their expertise in specific functional area etc. are available on the Company's website www.sirshadilal.com.

The composition and structure of the Board is reviewed regularly by the Board, keeping in mind its overall size, the balance between non-executive, Independent and executive Directors, age, experience and other attributes of the Directors, and changes in the Board.

Mr. R.C. Sharma was reappointed as Chairman in the Board Meeting held on 25.05.2019

BOARD PROCEDURE:

All divisions / departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussions / approval / decisions in the Board and Committee meetings. All such matters are communicated to the company secretary in advance by the departments / divisions. The company secretary, in consultation with the Chairman, Managing Director and/ or joint Managing Director, segregates the ones that can be discussed and decided internally and ones that need to be put up before the Board.

The Board meets at least once in a quarter to review the quarterly performance, operational performance and the financial results of the Company. The Board and the Committee meetings are scheduled well in advance and a calendar for these meetings in a year is circulated at the beginning of the year. The notice and agenda of each meeting along with supporting papers giving comprehensive information on the agenda items is given in writing to each Director in advance. The agenda papers submitted to the Board clearly indicate what decision is required. In special and exceptional circumstances, additional or supplementary item(s) beyond the agenda are presented with the permission of Chairman.

THE KEY FUNCTIONS AND RESPONSIBILITIES OF THE BOARD ARE AS UNDER:

FUNCTIONS:

1. Reviewing and guiding on corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance targets, monitoring implementation, overseeing major capital expenditures, acquisitions and divestments and reviewing financing plans and progress thereon.
2. Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.
3. Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
4. Aligning key managerial personnel and remuneration of Board of Directors with the longer term interests of the listed entity and its shareholders.
5. Ensuring a transparent nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective and gender in the Board of Directors.

6. Monitoring and managing potential conflicts of interest of management, members of the Board of Directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
7. Ensuring the integrity of the listed entity's control systems, accounting and financial reporting systems, including the Independent Audit and compliance with the law and relevant standards.
8. Overseeing the process of disclosure and communications.
9. Monitoring and reviewing Board of Director's evaluation framework.

RESPONSIBILITIES:

1. Members of the Board of Directors and key managerial personnel disclose to the Board of Directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company.
2. The Board of Directors and senior management conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information, in order to foster a culture of good decision making.
3. The Board of Directors provide strategic guidance to the listed entity, ensure effective monitoring of the management and is accountable to the listed entity and the shareholders.
4. The Board of Directors set a corporate culture and the values by which executives throughout the Company shall behave.
5. Members of the Board of Directors act on fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
6. The Board of Directors encourage continuing - training of Directors to ensure that the members of Board of Directors are kept up to date.
7. Where decisions of the Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.
8. The Board of Directors maintain high ethical standards and shall take into account the interests of stakeholders.
9. The Board of Directors exercise objective Independent judgement on corporate affairs.
10. The Board of Directors consider assigning sufficient number of non-executive members of the Board of Directors, capable of exercising Independent judgment, to tasks where there is a potential for conflict of interest.
11. The Board of Directors ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognized or exposes the Company to excessive risk.

The Board's Nomination and Remuneration Committee oversees the Company's nomination process for Directors and in that connection it identifies and reviews individuals qualified to serve as a Director on the Board.

The information as specified in Schedule- II, Corporate Governance Part A of Regulation 17 (7) of SEBI (LODR) Regulation 2015 is regularly made available to the Board. To enable the Board to



discharge its responsibilities effectively, the members of the Board are briefed at every Board meeting on the overall performance of the Company. In addition to matters statutorily requiring Board's approval, all major decisions involving policy formulation, capital expenditure budgets, new investments, compliance with statutory / regulatory requirements etc., are considered by the Board. The Board has established procedures to periodically review reports on compliance of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliance.

The Chairman and/or Managing Director or Joint Managing Director explains the proposal put up before the Board, the background and the expectations of the proposal in the short as well as the long term to contribute to the growth of the Company. If needed, a presentation is made by the concerned executive and clarifications given. The Board then deliberates all these issues and comes to a decision. The Chairman encourages participation and considers the views of all the Directors.

Company Secretary records the minutes of the proceedings of each meeting of the Board of Directors and Committees. The minutes recorded are self explanatory and decisions arrived at the meeting are properly recorded. Draft minutes are circulated to all the members of the Board/ Committee for their comments. The minutes are entered in the Minute Book within 30 days from conclusion of the meeting and are confirmed at the subsequent meeting.

Board decisions are promptly and clearly communicated to the operating management for implementation. An action taken report is submitted to the Board/Committee at the subsequent meetings till the decisions are fully implemented.

The Company Secretary, while preparing the agenda, notes on agenda, minutes etc. of the meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 / 2013 read with the Rules issued there under, any amendment thereof and the secretarial standards recommended by the Institute of Company Secretaries of India.

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING :

In respect of Directors seeking appointment or re-appointment, the notice for the Annual General Meeting contains all the relevant

information, like brief resume of the Directors , nature of their expertise in specific functional areas and name of the companies in which they hold Directors hip and / or membership of any Committee of the Board.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT TEAM :

Code of conduct for the Directors as well as for the members of the senior management of the Company was adopted in the Board meeting held on 4th April, 2005 and amended subsequently from time to time. The code is intended to serve as a basis for ethical decision making in conduct of professional work. The code of conduct states that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views and be upright in his conduct and observe corporate discipline. The said code of conduct has been circulated to all the Directors and members of senior management and the compliance of the same has been affirmed by them in respect of the financial year 2018-19 and a declaration to that effect signed by the Managing Director is detailed below and forms part of this report. A copy of code of conduct has also been put on the Company's website - www.sirshadilal.com

DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

As provided under Regulation 17(5) of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges, all Board members and senior management personnel have affirmed compliance with Sir Shadi Lal Enterprises Limited, Code of Business Conduct and Ethics for the year ended March 31, 2019.

For and on behalf of the Board

	Rajat Lal	R.C. Sharma
	Managing Director	Chairman
Place: New Delhi	(DIN-00112489)	(DIN-00023274)
Dated: 22nd July, 2019		

CONTD.....

**COMMITTEES OF THE BOARD**

The Company has constituted following Board level Committees:

(3) AUDIT COMMITTEE:-**(a) Composition:**

The Board has constituted Audit Committee consisting of following Directors :

S.No.	Name	Category	Designation	Attendance *
1.	Mr. R.C. Sharma	Non-Executive Independent Director	Chairman	4
2.	Mr. Onke Aggarwal	Non-Executive Independent Director	Member	4
3.	Smt. Radhika Viswanathan Hoon	Non- Executive Director	Member	4

All the members of the Audit Committee are financially literate and more than one member possess accounting and related financial management expertise. The concerned officials responsible for the finance function and the head of internal Audit are invitees to the Audit Committee.

The Chairman of the Audit Committee attended the Annual General Meeting held on 24.09.2018 to answer shareholders' queries.

The composition of the Audit Committee meets the requirements of section 177 of the Companies Act, 2013.

*During the year four meetings of Audit Committee were held on 26.05.2018, 23.07.2018, 12.11.2018, and 04.02.2019

(B) TERMS OF REFERENCE:

The Audit Committee has powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary. The terms of reference of the Audit Committee include exercising powers and discharge of functions as stipulated in Regulation 18 of SEBI (LODR) Regulations 2015 read with Section 177 of the Companies Act, 2013.

The primary purpose of the Audit Committee is to monitor and provide effective supervision of the Company's financial reporting processes in order to ensure timely, accurate and proper disclosure and the transparency, integrity and quality of financial reporting. The Audit Committee, besides other activities, reviews the quarterly / annual financial results, cost Auditors reports, capital expenditures, internal Auditor reports which thereafter are sent to the Board with recommendations.

The Audit Committee also reviews management discussion and analysis of financial conditions and results of operations, statement of significant related party transactions, Directors' responsibility statement included in the Board's report in terms of clause (3c) of section 134 of the Companies Act 2013, appointments of statutory Auditor, cost Auditor, chief financial officer and chief internal Auditor.

The role of Audit Committee is summarized hereunder :

1. Oversight of financial report process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
3. Approval of payment to Statutory Auditors for any other services rendered by them.
4. Reviewing with the management, the annual financial statement and Auditors' reports thereon before submission to the Board for approval with particular reference to :
 - a) Matters being included in the Directors' responsibility statement in the Boards' report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management
 - d) Significant adjustments made in the financial statements arising out of Audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft Audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.).
7. Review and monitor the Auditors' independence and performance, and effectiveness of Audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.



9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and Risk Management systems.
12. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of the Internal Control systems.
13. Reviewing the adequacy of internal Audit function.
14. Discussion with internal Auditors of any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory Auditors before the Audit commences, about the nature and scope of Audit as well as post-Audit discussion to ascertain any area of concern.
17. Look into the reasons for substantial defaults.
18. Review the functioning of the whistle blower mechanism.
19. Approval of appointment of CFO after assessing the qualifications, experience and background etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee also recommends the appointment of Cost Auditor pursuant to the notification no. 774 dated March 27, 2014 of Government of India, Ministry of Corporate Affairs, New Delhi. The Audit Committee also ensures that the Cost Auditor is free from any disqualification u/s 148 read with sub section (3) or sub section (4) of section 141 of the Companies Act, 2013. The Audit Committee also obtains a certificate from the Cost Auditor certifying its independence and arms length relationship with the Company.

(4) NOMINATION & REMUNERATION COMMITTEE:

A) COMPOSITION :

The Nomination & Remuneration Committee consisting of the following non-executive Independent Directors was constituted / reconstituted by the Board with agreed terms of reference to determine, on their behalf and on behalf of the shareholders, the Company's policy on specific remuneration package for executive Directors. The Chairman of the Nomination Committee an Independent Director other than Chairman of the Company.

S. No.	Name	Category	Designation	Attendance *
1.	Mr. Hemantpat Singhania	Non-Executive – Independent Director	Chairman	2
2.	Mr. Onke Aggarwal	Non-Executive- Independent Director	Member	2
3.	Mr. R.C. Sharma	Non- Executive - Independent Director	Member	2

*During the year two meetings of Nomination & Remuneration Committee were held on 26.05.2018, and 04.02.2019

B) TERMS OF REFERENCE:

The terms of reference of the Nomination and Remuneration Committee is in accordance with section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 which, inter alia, includes, to formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees, formulate criteria for evaluation of Independent Directors and the Board, 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 their appointment and removal.

C) REMUNERATION POLICY:

The Committee shall lay down the policy of remuneration to Directors, Key Managerial Personnel and senior management which involves a balance between fixed and incentive pay, reflecting short term and long term performance objectives appropriate to the working of the Company.

NON-EXECUTIVE DIRECTORS

On the recommendation of the Nomination and Remuneration Committee, the Remuneration to the Non-Executive Directors is decided and approved by the Board of Directors. The Non-Executive Directors are paid remuneration by way of sitting fees and commission not exceeding the limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

The Non-Executive Directors are entitled to commission @ 1% of the net profit as approved by the shareholders and sitting fees

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@ Rs.20,000/- w.e.f. 01.08.2014 for each meeting of the Board or any Committee thereof attended by them. All the Non-Executive Directors are entitled for equal commission. Those who have worked for part of the year would be entitled for commission proportionately. no commission was paid to the Non-Executive Directors during the year because of brought forward losses.

EXECUTIVE DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Nomination and Remuneration Committee frames and implements on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of Executive Directors. The Nomination and Remuneration Committee also considers, approves and recommends to the Board of Directors the designation and increase in salaries for the executive Directors and kmpts, keeping in view the remuneration package offered by the other corporate houses of the industry. The policy, inter-alia, provides for the following:

- Salary and commission not to exceed limits prescribed under the Companies Act, 2013.
- Revision from time to time depending upon the performance of the Company, individual Director's performance and prevailing industry norms.
- No sitting fees.

The remuneration paid to the executive Directors and kmpts of the Company is approved by the Board of Directors on the recommendations of the Remuneration Committee.

Presently, as the Company does not have any scheme of stock option, the incentive by way of commission on profits is considered for the Directors / executive Directors in the remuneration package.

D) DETAILS OF REMUNERATION TO ALL THE DIRECTORS FOR THE YEAR ENDED MARCH 31, 2019

(I) NON-EXECUTIVE DIRECTORS

During the financial year, there was no pecuniary relationship or transaction between the Company and any of its Non-Executive Directors.

S.No.	Name	Category	Commission	Sitting fee (Rs.)	Total (Rs.)	Service Contract/ Notice period/ Severance fees -	No. of shares held
1.	Mr. Hemantpat Singhania	Non-Executive Independent	-	200000	200000	Non-rotational	-
2.	Mr. R.C. Sharma	Non-Executive Independent	-	220000	220000	Non-rotational	-
3.	Mr. Onke Aggarwal	Non-Executive Independent	-	240000	240000	Non-rotational	20315
4.	Smt. Radhika Viswanathan Hoon	Non-Executive	-	180000	180000	retirement by rotation	39132
5.	Mr. Ajit Hoon	Non-Executive	-	80000	80000	retirement by rotation	-
6.	Mr. Neeraj Gupta	Non-Executive Professional	-	-	-	retirement by rotation	-
	Total			920000	920000	-	-

(II) MANAGING AND WHOLE-TIME DIRECTORS

S. No.	Name	Category	Salary (Rs.)	Perquisites (Rs)	Commission (Rs)	Total (Rs.)	Service Contract/ Notice period/ Severance fees	Period for Appointment
1.	Mr. Rajat Lal, Managing Director	Executive	1512000	1530726	-	3042726	Contractual**	5 Years
2.	Mr. Vivek Viswanathan, Joint Managing Director	Executive	1386000	1329501	-	2715501	Contractual**	5 Years
3.	Mr. Rahul Lal, Joint Managing Director	Executive	246851	238807	-	485658	Contractual**	5 Years
	Total		3144851	3099034	-	6243885		

* perquisites include house rent allowance, electricity & fuel charges, medical reimbursement, medi-claim and personal accident insurance premium, company's contribution to provident fund and superannuation fund.

* notice period is six calendar months, on either side.

**D) KEY MANAGERIAL PERSONNEL OTHER THAN DIRECTORS**

S. No.	Name	Category	Salary (Rs.)	Perquisites* (Rs.)	Commission(Rs)	Total (Rs.)	Service Contract -
1.	Mr. Alok Mittal*	CFO	705511	11163	-	716674	Contractual
2.	Mr. S.K. Jadia#	CFO	1309785	33200	-	1342985	Contractual
3.	Mr. Ajay Kumar Jain	CS	1036608	46080	-	1082688	Contractual
	Total		3051904	90443	-	3142347	

Perquisites include Company's contribution to Provident Fund

Mr. S.K. Jadia# has resigned on 16.09.2018

Mr. Alok Mittal* has appointed on 04.02.2019 and resigned on 25.02.2019

5. INDEPENDENT DIRECTORS ' MEETING:

A meeting of the Independent Directors was held on 04.02.2019 to review the performance of non Independent Directors / members of the management without the attendance of Non Independent Directors and the Board as a whole, on parameters of active participation, effectiveness and to assess the promptness of flow of information between the management and the Board.

Mr. Onke Agarwal, Chairman of the Independent Director's meeting, placed the proceedings of the meeting before the Board of Directors.

6. EVALUATION AND PERFORMANCE OF INDEPENDENT DIRECTORS :

The performance evaluation of the Independent Directors was done by the Board, except the Directors being evaluated. The criteria adopted for performance evaluation were as follows:

ROLE & ACCOUNTABILITY

- Understanding the nature and role of Independent Directors ' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Offering constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.

OBJECTIVITY

- Attendance and active participation.
- Knowledge of the working of industry, experience and related issues.
- Understanding of risks associated with the business.
- Understanding the nature and Directors ' role.
- Commitment to role & fiduciary responsibilities as a Board member.
- Leadership & initiative
- Application of knowledge for rendering advice to management for resolution of business issues and competition challenges
- Independent judgment.
- Non-partisan appraisal of issues.
- Compliance, due diligence and financial control.
- Safeguarding the interest of the Company and its minority shareholders.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) :

As per section 135 of the Companies Act 2013 every Company having net worth of Rs. five hundred crore or more or turnover of Rs. one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors out of which at least one Director shall be an Independent Director. The Company has constituted CSR Committee on 08.08.2017.

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(A) COMPOSITION :

The Board has constituted CSR Committee consisting of following Directors :

S.No.	Name	Category	Designation	Attendance *
1.	Mr. Hemantpat Singhania	Independent Director	Chairman	1
2.	Mr. Rajat Lal	Managing Director	Member	1
3.	Mr. Vivek Viswanathan	Joint Managing Director	Member	1

The composition of the CSR Committee meets the requirements of section 135 of the Companies Act, 2013. One meeting of CSR Committee was held on 04.02.2019

(B) TERMS OF REFERENCE:

1. Formulating and recommending to the Board of Directors CSR Policy and indicating activities to be undertaken
2. Recommending the amount of expenditure for CSR activities
3. Monitoring CSR activities from time to time

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR):

The CSR Committee has framed CSR Policy and the Board of Directors of the Company has approved the policy in the Board of Directors meeting held on 08.08.2017. The details of CSR policy are as follows;

Sir Shadi Lal Enterprises Limited firmly believes and lives the values of Corporate and Social Responsibility and pledges to sustain its effort towards being responsible and accountable for its business at all times. The Policy displays the Company and its employee's commitment to the community we work with and the environment from which we extract resources. We will ensure that our CSR initiatives integrate social and environmental considerations into our businesses apply to all our operations, is incorporated into our governance, management, business strategy, and daily decisions and actions.

Our vision is to actively contribute to the social and economic development of the communities in which it operates. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

BASIC PRINCIPLES

- A) Striving towards improving accessibility to education amongst underprivileged communities.
- B) Promoting Education
- C) Work for providing solutions to better and sustained livelihood, infrastructure development, healthcare, sanitation and hygiene and limiting/eradicating prevalent social issues like hunger, poverty and malnutrition in our community.
- D) Taking necessary steps for Ensuring environmental sustainability
- E) Agriculture development and better farmer focus.
- F) Efforts for reducing social and economic inequality including gender in equality.
- G) Promoting Sports through various events.
- H) Regular monitoring and implementation of this policy, outcomes of the initiatives and publicly report on the progress in a transparent and effective manner.

Continually review of the CSR policy, business practices and governance to encourage evolution.

IMPLEMENTATION PROCESS

The projects identified for focus by the Company will emanate from the core value of 'support and participation in addressing societal and environmental concerns'. The projects will solidified with the participation of the business units, employees and the community they work with and the prioritization and focus areas emerged as sustained livelihood, improved quality of life, rural development, education and empowerment of marginalized section of the community, especially women and children.

OPERATING MECHANISM

The company shall carry out the CSR activities:

1. Taking up the activities as detailed in its focus area directly; or
2. Through a Registered Trust or a Registered Society or an outfit established by the company or its holding or subsidiary or associate company under Section 8 of the Companies Act, 2013 or otherwise; or
3. Through a trust, society or company which is not established by the company or its holding or subsidiary or associate company, having an established track record of atleast three years in undertaking similar programs or projects;

Provided that the company shall specify the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

COMPANY'S FOCUS AREAS/ACTIVITIES:

Therefore the causes in alignment with our businesses and values are:

1. Promoting Education
2. Promoting Sports through various events.
3. Good Agricultural Practices
4. Model Village/Habitation Development- Co Community Development
5. Skill Development and Women Empowerment
6. Health care: supporting various medical initiatives aiming at reducing mortality rate of children, regular health check-ups for poor's including children in schools of neighbouring regions, promoting preventive health care etc.



7. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Govt for socio economic development and relief and welfare of the weaker section of the society and women.

SHAREHOLDERS' GRIEVANCE COMMITTEE/ STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Board of Directors has constituted the following Committees to look after the issues related to shareholders :

- Shareholders /Investors Grievance Committee / Stakeholders Relationship Committee.
- Share Transfer Committee.

The Shareholders / Investors Grievance Committee looks after maintaining cordial - relations with shareholders and other investors and oversees the mechanism for redressing of shareholders and investors complaints like non-receipt of annual report, non-receipt of declared dividend warrants and non transfer of shares. Share transfers / transmissions are approved by the Share Transfer Committee and are placed at the Board meeting from time to time.

B. COMPOSITION OF SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE/ STAKEHOLDERS RELATIONSHIP COMMITTEE

S. No.	Name	Category	Designation	Attendance *
1	Mr. Hemantpat Singhania	Non-Executive	Chairman	1
2	Mr. Vivek Viswanathan	Executive	Member	1
3	Mr. Rahul Lal	Executive	Member	1

*During the year one meeting of Shareholder/Investor Grievances Committee was held on 04.02. 2019. There was no investor complaint pending as on 31.03.2019.

Mr. Ajay Kumar Jain, Company Secretary, had been appointed as secretary / compliance officer of the Shareholders / Investors Grievance Committee.

B. COMPOSITION OF SHARE TRANSFER COMMITTEE

S. No.	Name	Category	Designation	Attendance*
01	Mr. Rajat Lal	Managing Director	Chairman	10
02	Mr. Vivek Viswanathan	Joint Managing Director	Member	10
03	Mr. Rahul Lal	Executive Director	Member	-

*During the year, Ten meetings of Share Transfer Committee were held on 04.07.2018, 07.08.2018, 15.10.2018, 10.11.2018, 10.12.2018, 17.12.2018, 14.01.2019, 28.02.2019, 16.03.2019 & 30.03.2019.

Mr. Ajay Kumar Jain, Company Secretary, had been appointed as Secretary / compliance officer of the Share Transfer Committee.

The Company has registered and delivered to the shareholders all the valid applications received for transfer / transmission / remat / split/ consolidation of shares during the year within the

stipulated time and there were no shares pending for transfer as on 31.03.2019.

(9) (A) RISK MANAGEMENT COMMITTEE :

The Board of Directors has constituted Risk Management Committee comprising of following Directors / member :

S. No.	Name	Category	Designation	Attendance*
01	Mr. Rajat Lal	Managing Director	Member	1
02	Mr. Vivek Viswanathan	Joint Managing Director	Member	1
03	Mr. Rahul Lal	Executive Director	Member	1
04	Mr. S.K. Jadia**	Chief Financial Officer	Member	-
05	Mr. Ajay Kumar Jain	Secretary	Member	1

*During the year, one meeting of Risk Management Committee was held on 18.03.2019.

Mr. Ajay Kumar Jain has been appointed as Secretary of the Risk Management Committee

** Mr.S.K.jadia has resigned w.e.f.16.09.2018

(B) VIGILANCE COMMITTEE:

The Board of Directors has constituted a Vigilance Committee comprising of following Directors /members :

S. No.	Name	Category	Designation	Attendance*
01	Mr. Rajat Lal	Managing Director	Member	1
02	Mr. Vivek Viswanathan	Joint Managing Director	Member	1
03	Mr. Rahul Lal	Executive Director	Member	1
04	Mr. S.K. Jadia**	Chief Financial Officer	Member	-
05	Mr. Ajay Kumar Jain#	Company Secretary	Vigilance Officer	1

*During the year one meeting of Vigilance Committee was held on 18.03.2019

**Mr. S.K.Jadia has resigned w.e.f. 16.09.2018

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(10) GENERAL BODY MEETINGS:

Location and time where last three Annual General Meetings were held is given below:

Sl. No.	Particulars of Annual General Meeting	Date	Location of the Meeting	Time
01.	82nd A.G.M. for the year 2015-2016	26.09.2016	P.H.D.House, Opp. Asian Games Village, New Delhi – 110 016.	11.00 a.m.
02.	83rd A.G.M. for the year 2016-2017	26.09.2017	P.H.D.House, Opp. Asian Games Village, New Delhi – 110 016.	11.00 a.m.
03.	84th A.G.M. for the year 2017-2018	24.09.2018	P.H.D.House, Opp. Asian Games Village, New Delhi – 110 016.	11.00 a.m.

In the last Annual General Meeting, the following Special Business were passed through Postal Ballot.

1. “RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), payment of remuneration as set out in the Statement annexed to the Notice convening this Meeting to Mr. Rishi Mohan Bansal, Cost Auditors who was appointed by the Board of Directors of the Company, to conduct the Audit of the cost records of the Company for the financial year ending 31st March, 2019 be and is hereby ratified and approved.”

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

2. “RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby given to re-appoint Mr. Rahul Lal as Executive Director of the Company for a further period of Five years w.e.f. 01.07.2018 to 30.06.2023 on the terms & conditions and remuneration including commission and perquisites as set out hereunder:

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary the remuneration and perquisites including the monetary value thereof as specified in the explanatory statement, to the extent the Board of Directors may consider appropriate, as may be permitted or authorized in accordance with the provisions under the Companies Act, 2013 or Scheduled appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or in rules or regulations promulgated thereunder.”

3. “RESOLVED that pursuant to section 188 and other applicable provisions of the Companies Act, 2013 if any and regulation 23 of the SEBI (LODR) Regulations 2015, consent of the members of the Company be & is hereby accorded for related party transactions made by the Company for unsecured loan of Rs. 5 Crores each from Managing Director and Joint Managing Director for completion of Sugar expansion Project in time. The amount of Interest on the Loan

Amount shall be 9.50% per annum on quarterly rests on reducing quarterly basis.”

In the last Annual General Meeting, following resolutions were passed:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2018, Statement of Profit and Loss account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Radhika Vishwanathan Hoon, (DIN: 06436444) who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Vivek Viswanathan, (DIN: 00141053) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. M.SHARAN GUPTA & Co., as Statutory Auditors of the Company (Firm Reg. No. 06430N).
5. To appoint Mr. Rishi Mohan Bansal, Cost Accountants (firm Reg. no.000022) as Cost Auditors of the Company for the year 2018-19.

(11) OTHER DISCLOSURES:

A) RELATED PARTY TRANSACTIONS

There are no transactions of the company of material nature with promoters, Directors, management, subsidiaries or relatives etc. which would have potential conflict with the interests of the company at large. Attention of members is drawn to the related party transaction with the related party transaction in the main Directors report and note no. 42 in the financial statement.

B) DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

In the preparation of the financial statements, the Company has followed with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. Accounting entries passed on the exercise of the judgment by the management are correct and reasonable.

C) RISK MANAGEMENT

To comply with the requirement of Companies Act 2013 and Regulation 21 of SEBI (LODR) Regulations, 2015, the -Board



of Directors - have approved the Risk Management policy and constituted a Risk Management Committee to monitor implementation thereof. Salient features of the Risk Management policy are as under :-

- (i) Risk Management is an intrinsic part of the strategic management of the Company.
- (ii) Risk Management process comprises of - identification of risks, analyzing the same, deciding on the transfer -or retention thereof and - initiation of actions mitigate the risks.
- (iii) Risks faced by the Company are classified into external - and internal risks.
- (iv) The external risks cover the political environment risks, Government policies related risks, technological and product obsolescence risks.
- (v) The internal risks cover the operating risks, financial risks, human risks, system risk, and credit risk.

RISKS IDENTIFICATION:

The Board of Directors has identified following risks to the Company:

EXTERNAL RISKS OR UNCONTROLLABLE RISKS-RAW MATERIAL RISK

- a) Raw Material Risk
- b) Sugar Price Risk
- c) Regulatory Risk
- d) Cyclical Risk

A) RAW MATERIAL RISK

Sugarcane is the principal raw material used for the production of Sugar. Business depends on the availability of Sugarcane and any shortage thereof adversely affects operations. A variety of factors beyond the Company's control may contribute to a shortage of Sugarcane in any given harvest period. Some of the main factors that could contribute to a shortage of Sugarcane are set forth below :

- i) Cane cultivation area and availability of irrigation facility.
- ii) Availability of higher yielding crop.
- iii) Diversion from cane production to other cash crops.
- iv) Diversion of Sugarcane to other industries like khandsari or gur and to neighboring factories etc.
- v) Adverse weather conditions, crop disease.
- vi) Cane procurement price declared by the state Government and / or central Government.
- vii) Cane price payment delays to the growers.

RISK MITIGATION

The risk can be mitigated by steps such as Government encouragement for promotion of various irrigation schemes (lift irrigation, drip irrigation, improved canal system etc.), cane development schemes, improved infrastructure for road and communication, provision of better quality and higher yielding seeds as well as fertilizers and pesticides, prompt clearance of cane dues of farmers and steps to improve their goodwill by adoption of social development measures. As regard cane procurement price by the state govt. and / or central govt., this is a systems risk which cannot be alleviated unless the Sugar cane price has linkage with the Sugar price on the basis of

established and recognized formula and the govt. announces subsidy and relief to the Sugar industry to facilitate timely cane price payment to the growers so that there is no fear among the growers either for cultivation /agitation or for-diversion of the cane from area.

B) SUGAR PRICE RISK

The price of Sugar has a significant impact on Company's profits. Like other agricultural commodities, Sugar is subject to price fluctuations resulting from availability and price of raw material, weather, natural disasters, domestic and foreign trade policies, shift in supply and demand and other factors beyond the Company's control. Additionally 15% to 30% of the total global Sugar production is traded on commodity exchanges which are speculative in nature and can adversely affect the global Sugar prices and in turn the price of Sugar in domestic market.

RISK MITIGATION

The Company is unable to mitigate this risk because it does not have control on the market forces and the regulatory prices. However Sugar price can be improved to some extent by producing bolder grain of Sugar. Further, there appears to be a realization by the Government that a reasonable level of Sugar price is necessary for survival of both the farmers and the Sugar industry.

C) REGULATORY RISKS

I) ENVIRONMENTAL RISK

The Industry & Company is subject to environmental regulations which are becoming more and more stringent and the Company may be exposed to liability as a result of handling of hazardous materials. Recently, the Central Pollution Control Board (CPCB) has directed the state pollution control Board to ensure zero liquid discharge in Sugar plants and distilleries. It involves installation of advance process technology with multi pressure distillation and integrated evaporator and incineration system in Distillery unit. In the Sugar plants, the CPCB has directed to reduce waste water generation to 40 liters per ton of cane crush and installation of cooling tower. CPCB has also revised waste water generation to 200 liters for Sugar unit per ton. The regulations of pollution control have become extremely stringent along with time bound implementation plan and non compliance includes non renewal of the annual factory license especially in Distillery unit. It involves potential cost for installation of pollution control system in Distillery and Sugar plants.

RISK MITIGATION

The only way to mitigate this risk is to follow the instructions of pollution control Board. However, the cost of installation of pollution control system is very high. Making huge investment in such systems raises the cost of production resulting in substantially reduced margin on sales. Moreover borrowings from banks for investing in these equipments is very difficult due to accumulated losses and negative net worth still being faced by the Company due to financial crisis faced by the Sugar industry in recent years. The Company is however continuing to take all measures to comply with the pollution control guidelines of the CPCB in both Sugar plant and Distillery. In Distillery unit, the Company, while expanding its capacity from 25 kld to 45 kld in the year 2016/17, has installed the required equipments to meet the norms of pollution.

II. GOVERNMENT POLICY RELATED RISKS

The Sugar industry is highly regulated and hence the Company

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operates in a highly regulated environment. Central and State Government policies and regulations are such as:

- i. State Advised Price (SAP) and Fair Remuneration Price (FRP) for Sugarcane.
- ii. Control on sale of molasses
- iii. High weightage of Sugar in wholesale price index vis-à-vis with other commodities

These affect the agricultural sector and related industries and affect our operations and our profitability. Ethanol business is highly dependent on Government policy. Sugarcane price is controlled both by the State and Central Governments.

RISK MITIGATION

This is a systematic risk which cannot be alleviated unless the Sugar cane price has linkage with the Sugar price on the basis of established and recognized formula. The Government should declare minimum support price of Sugar as it declares for other crops like wheat paddy etc.

D) CYCLICAL RISK

Being an agro based industry, the production and realization is very much dependent on the monsoon and other environmental factors which are cyclic in nature. At the same time switchover of the farmers from Sugarcane to some other cash crops for better realization badly affect the industry.

RISK MITIGATION

Although the Company has no control over the monsoon and other environmental factors, the results can be better if proper irrigation arrangements are made for the farmers which can be facilitated through State Govt. Agencies.

2. CONTROLLABLE RISKS:

THESE RISKS INCLUDE:

1. Productivity risks
2. Drawal rate risks
3. Management bandwidth risks

Apart from the external reasons, there are risks associated with operational limitations i.e. old plant & machinery and no cogeneration facility, low capacity of Distillery, low recovery in comparison to the central and eastern region Sugar mills and higher conversion cost due to higher wage bill and higher maintenance cost.

RISK MITIGATION

- 1 Selection of appropriate machinery and maintenance of the same is critical for continuous operations during the crushing season. The Company has consistently operated at an optimum capacity of around 90% to 95% in most of the years.
- 2 For mitigating the poor drawal risk, Company is focusing on stable crushing rate and improving cane price payments. However it is getting constrained in its all out efforts due to accumulated losses and negative net worth.
- 3 With its respected track record in the industry and professional work practices, the Company is able to hire and retain appropriate talent.
- 4 The key recommendations of the Rangrajan Committee on Sugar decontrol have garnered positive responses and are in

line with industry expectations. The Government has already implanted a number of steps barring the cane pricing policy. The linkage of the Sugarcane price with Sugar realization will bring in structural changes in the industry.

- 5 The Company has undertaken vigorous cane development activities by encouraging high yield variety cane (CO 0238, CO 98014 CO 118 and discouraging the rejected variety of cane (cose 92423, co 1148). The early variety of cane has improved from 92% to 96.90% in this season. This has resulted in the improvement in the Sugar pol % from 12.85 to 13.00. The overall recovery in the Sugar has improved from 10.87% to 10.95%. It expected that we will achieve recovery to 11.00% next season. The increase in the recovery by 0.08% will help to reduce the cost of production.
- 6 The Company is working as various options for taking up small projects in Sugar unit, for improvement of Sugar quality, saving in steam & bagasse consumption, Sugar cane development and improvement in processes efficiency, which can be taken up in phases over a period for 2 to 3 years. The Company has already expanded the capacity of its Distillery unit from 45 KL per day to 70 KL per day and also planning to increase to 100 KLPD.

3. FINANCE RISK:

The industry is highly dependent on timely availability of working capital as well as long term finance at competitive rate of interest for day to day operation, timely cane payment, cane development as well as modernization, technology development, expansion of Sugar, cogeneration and Distillery and installation of pollution control systems.

Further there is also physical risk associated with the assets of the Company due to loss by fire, riot, strikes, malicious damages, thunderstorm, flood, theft, burglary, earthquake etc.

RISK MITIGATION

The lenders have generally been reluctant to take additional financial exposure in the Company mainly due to its low rating and due to negative net worth. The Company has been working on improving its operational and financial. However the Care had decreased its rating but the company has not accepted the same. Although the rating has not yet reached investment grade as per internal guidelines of the banks, the Company has been able to raise additional limits for working capital and expects to raise additional limits for next season. The Company has taken appropriate insurance policies for all its assets and against all standard risks except earthquakes.

4. HUMAN RESOURCES RISK

The Company's plants are located in semi rural area. This creates a challenge firstly in recruiting high level professional skills and secondly in retaining them.

RISK MITIGATION

Company has developed appropriate human resources policies to attract skills and to retain them. Continuous learning represents the cornerstone of the Company's human resource policy. The Company has adopted a progressive human resource policy to meet the aspirations of employees. It organizes training programmes and motivates its employees to attain greater efficiency and competence leading to effective retention. Value-centric management helps enhance loyalty. The Company provides various compensation packages and performance-based incentives. The Company is



committed to provide equal employment opportunities and working conditions for attracting and retaining best available talent ensuring cosmopolitan workforce and does not make any discrimination on any basis.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company's internal control system is aimed at proper utilization and safeguarding of the Company's resources and promoting operational efficiency. The internal Audit function, which is an important tool of internal control process, is managed internally by an in house internal Audit department. The internal Audit process reviews the in-system checks, covering significant operational areas regularly. The Company's Audit Committee is responsible for reviewing the Audit report submitted by the internal Auditor department. Suggestions for improvements are considered and the Audit Committee follows up on the implementation of corrective actions. The Audit Committee also invites the statutory and internal Auditors for regular meetings to ascertain their views on the adequacy of internal control systems. The Audit Committee keeps the Board of Directors informed of its observations from time to time.

THE PRIME RESPONSIBILITIES OF THE INTERNAL AUDIT DEPARTMENT ARE :

1. Coordination with various departments for planning and executing Audit work, discussion of draft Audit reports with the Auditee, obtain their comments on each observation, placing the Audit report to the Audit Committee and following up on the implementation of decisions taken by the Committee.
2. Presenting a detailed Audit programme for next year to the Audit Committee for approval at the beginning of the year.
3. Conducting regular Audits as per the scope and timeline approved by the Audit Committee
4. Carrying on special investigations as per the request of management and submission of the report to the management and the Audit Committee

D) WHISTLE BLOWER POLICY / VIGIL MECHANISM

A Vigilance Committee has been constituted by the Board of Directors as per statutory provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, of the Listing Agreement i.e. every listed company or such class or classes of companies, as may be prescribed, to establish a vigil mechanism and formulate a whistle blower policy for Directors and employees to report genuine concerns in such manner as may be prescribed, to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy which is applicable from 1st October, 2014.

The vigil mechanism under sub-section (9) of Section 177 of the Companies Act, 2013, shall provide adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases, provided that the details of establishment of such mechanism shall be disclosed by the company on the website, if any, and in the Board's report.

4) THERE HAVE BEEN NO INSTANCES OF NON-COMPLIANCE, PENALTIES, STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGE OR SEBI OR ANY STATUTORY AUTHORITY ON ANY MATTER RELATED TO

CAPITAL MARKETS DURING THE LAST THREE YEARS.

E) LISTING AGREEMENT / (LODR) COMPLIANCE :

The Company has fully complied with all the mandatory requirement of SEBI (LODR) Regulations 2015 of the Stock Exchange. The Company has submitted the quarterly compliance status report to the BSE Limited within the prescribed time limit.

F) Adoption of non-mandatory requirements of Regulation 15 of SEBI (LODR) Regulations, 2015 is being reviewed by the Board from time to time. The Company has adopted non-mandatory requirement of Regulation 15 of SEBI (LODR) Regulations, 2015 viz. (i) Remuneration Committee of the Board which has been constituted to recommend / review the remuneration package for the executive Directors (ii) Nomination Committee to consider proposals for searching, evaluating and recommending appropriate and Independent Directors and Non-Executive Directors to the Board, based on an objective and transparent set of guidelines.

B. SUBSIDIARIES :

The Company does not have any subsidiary

(12) MEANS OF COMMUNICATION:

Newspaper publications: The Company's quarterly financial results are normally published in the "Financial Express in English and "Jansatta" in Hindi, news papers. The abstract of quarterly/ half yearly/annual financial results of the Company are regularly submitted to the Bombay Stock Exchange Limited, where the shares of the Company are listed.

Website: The Company's financial results are also displayed on the Company's website – www.sirshadilal.com. As per the requirements of under Regulation 29(1)(a) of the SEBI (LODR) Regulation, 2015, all the data related to quarterly financial results, shareholding pattern etc. is posted on corpfiling website i.e. www.corpfiling.co.in and also on the Company's website. The website also provides the basic information about the Company e.g. details of its business, financial information, compliance with Corporate Governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances.

The information provided on the website is being updated regularly. In pursuance of circular bearing no.17/2012 dated 21.04.2012 and 18/2012 dated 29.04.2012 issued by the Ministry, various notices/ documents (including notice calling Annual General Meeting, Audited financial statements, Directors' report, Auditors' report, etc are being sent to the shareholders through electronic mode to the registered e-mail addresses of the shareholders.

(13) MANAGEMENT DISCUSSION & ANALYSIS AN OVERVIEW

Company's operations are broadly divided into two business segments i.e. "Sugar" and "Alcohol." The by-product molasses is used in the distilleries for manufacture of alcohol ethanol. The segment-wise performance has already been reported vide note no. 43 of notes attached to the annual accounts under report.

Segment-wise detailed management discussion and analysis is stated below:

SEGMENT SUGAR (UNIT – UPPER DOAB SUGAR MILLS)

In the crushing season 2018-19, Sugar unit started crushing on 10.11.2018 and closed on 01.06.2019. The factory crushed 108.23

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lac / quintals of cane at an average recovery of 10.95% producing 11.85 lac / quintals of Sugar in 204 days of working.

The last crushing season 2017-18 was started on 24.10.2017 and closed on 25.05.2018. The Sugar unit crushed 115.63 lac / quintals of cane at an average recovery of 10.87% producing 12.56 lac / quintals of Sugar in 214 days of working.

The average cost of cane for the financial year 2018-19 is Rs. 332.62 per quintal as against Rs. 329.89 per quintal for the financial year 2017-18. The average Sugar realization during the financial year 2018-19 is Rs. 2986.84 per quintal as against Rs. 3518.56 per quintal during the financial year 2017-18.

SEGMENT ALCOHOL (UNIT SHAMLI DISTILLERY & CHEMICAL WORKS)

During the financial year 2018-19, the Distillery produced 100.57 lac / AL of Rectified Spirit (RS) (last year 83.02 lac / AL). The Distillery worked at its full capacity during 2018-19.

During the year 2018-19, fermentation efficiency was 89.05% (last year 89.06, distillation efficiency was 98.54% (last year 98.55 %).

During the year 2018-19, the recovery from molasses was 21.13 AL / quintal (last year 21.93). During the year 2018-19 average molasses cost was Rs. 13.17 per quintal (last year Rs. 179.08 per quintal).

During the year 2018-19 Distillery unit earned profit of Rs. 2181.49 lacs. (last year profit Rs. 1429.37 lacs).

SUGAR PRODUCTION AND CONSUMPTION: OPPORTUNITIES AND THREATS SUGAR PRICE :

Due to excess production of Sugar- in crushing season 2018-19, the Sugar prices have continued downward trend from October, 2017 onwards. The average ex-works realization of Company's Sugar for the season 2018-19 till June 2019 was Rs. 3141.33 (last season Rs 3013.39) per quintal. The price of Sugar is currently ruling around Rs. 3170/- per quintal. Due to huge production in the Current Season the Sugar price come down upto the level of Rs. 3150/- per qtl. and due to mismatch in demand and supply, the Sugar prices are on very low level. To help loss making Sugar mills the Central has taken various initiatives during the last 6 month and announced Soft Loan Scheme to Sugar Industry and also reintroduce the monthly quota system for Sugar sale. Further the Government has imposed 100% import duty on import of Sugar. Keeping in view the explained scenario, it is hoped that the price will be maintained around Rs.3150-3200/- per quintal till commencement of next crushing season in October 2019.

CANE PRICE:

In the election year, the farmers who keep afloat of attractive Sugarcane price rise have suffered a shock. The State Government has not made any increase in Sugarcane price. The Sugarcane price is kept constant for the crushing season 2018-19. This year, like crushing season 2017-18, Sugarcane prices will also be 325 for the advanced species, 315 for the common species and Rs 310 per quintal for the rejected species

CANE PRICE ARREARS:

India's money-losing Sugar mills have run up a record \$4.38 billion

in arrears to 50 million cane farmers, who have gone unpaid for their produce for more than a year.

Years of bumper cane harvests and record Sugar production have hammered domestic prices, hitting mills' financial health to such an extent that monies owed to farmers, who form an influential voting bloc, have ballooned to an all-time high.

The unpaid dues affect growers in the key cane-producing states of Uttar Pradesh, Maharashtra, Bihar, Punjab, Haryana and Karnataka. of the \$4.38 billion in unpaid dues, mills in Uttar Pradesh, India's top cane-producing state, owe 108 billion rupees (\$1.56 billion), the industry and Government sources said, citing their calculations based on cane prices and the volumes bought by Sugar mills.

In Uttar Pradesh, top producers such as Mawana Sugars Ltd, Bajaj Hindusthan Sugar Ltd and Simbhaoli Sugars Ltd, as well as unlisted Modi Sugar Mills, Wave Industries and Yadu Sugar Ltd, owe the bulk of arrears to farmers,

"Along with the fact that Sugar prices are much below the cost of production, huge inventories worth 800 billion rupees are adversely affecting mills' paying capacity,"

The high inventories are keeping domestic Sugar prices depressed and increased storage costs. Mills have started losing money and are finding it difficult to pay the farmers.

As cane harvests jumped, domestic Sugar prices fell 20 percent over the past two years, with mills often complaining about prices falling below their production costs.

The Government took a clutch of measures, including incentives for exports and creation of buffer stocks to help trim inventories and prop up prices so that mills can pay farmers, said a federal food ministry official who did not wish to be identified in line with Government policy.

The Fair and Remunerative Price (FRP) arrears of Maharashtra's Sugar mills to farmers have come down to 12% at the end of the Sugar season of 2018-19. The cane payment arrears now stand at Rs 2,942 crore.

The State Sugar Commissioner, however, has slapped Revenue and Recovery Certificate (RRC) notices on 68 mills for their failure to pay FRP to farmers. These mills owe 1,320 crore to farmers.

Maharashtra Sugar Commissioner Shekhar Gaikwad had earlier issued notices to 54 mills, and another 14 mills have been added to the list. The Commissioner's office warned the mills that if they fail to respond to the notices, the Government would seize their properties and Sugar stocks to recover dues and pay them to farmers. The Cane Control Order, 1996 stipulates payment of FRP within 14 days of start of crushing failing which an interest of 15% per annum is charged on the amount due to the farmers.

The total payable FRP this season was around 22,172.63 crore, of which 19,567.02 crore has been paid by millers to farmers towards cane payments. This means around 88% of the FRP payments are complete. Another 2,942 crore (12%) of the FRP dues now remain. Around 144 factories owe these arrears to farmers. As many as 51 factories have made 100% payments, 85 factories have made 80-99% payments, 36 factories have made 60-79% payments and 23



factories have made zero to 60% FRP payments. The FRP dues of the previous season are around 2,49.53 crore.

OUTLOOK AND CHALLENGES BEFORE THE SUGAR INDUSTRY

As the Indian sugar sector steps into a new season, it looks forward to more exports, price stability in the domestic market, and clearance of cane arrears to farmers.

The problems the industry confronts today are many, and stem mainly from high production in 2017-2018 and 2018-2019 seasons, exceeding domestic demand.

The Indian Sugar Mills' Association estimates sugar production during the 2018-2019 (October to September) season to be 35 million tons. In 2017-2018, it was about 32 million tons. The carryover stock is 10.3 million tons.

The sugar recovery in Northern India has been substantially better than the sugar recovery achieved in the last season. In the other parts of the country, including Maharashtra and Karnataka also the sugar recovery is better than last year though not as high as achieved in North India. Therefore even though the quantum of sugarcane crushing in the current season is less than that in the last season, the sugar production in the current year for the whole country will be marginally more than last year.

Maharashtra produced 107 Lac tons of sugar upto 30th April, 2019 while sugar mills in Karnataka have produced 43.29 Lac tons upto 30th April, 2019. U.P. Sugar Mills have produced 112.65 lac tons of sugar upto 30th April, 2019 which is 0.27 lac tons higher than the production achieved last year. Sugar Mills in Gujarat, Tamil Nadu, Andhra Pradesh & Telangana and Madhya Pradesh & Chhattisgarh have produced 11.19 lac tons, 7.05 lac tons, 7.60 lac tons and 5.30 lac tons respectively. Similarly sugar mills of Bihar, Punjab and Haryana have also produced 8.35 lac tons, 7.70 lac tons and 6.75 lac tons as on 30th April, 2019.

Considering the opening balance of 107 lac tons on 1st October, 2018, estimated production of 330 lac tons and domestic consumption of 260 lac tons as well as exports of 30 lac tons of estimated sugar exports, sugar stocks at the end of the current 2018-19 sugar season i.e. 30th September, 2019 are expected to be at a higher level of atleast 147 lac tons.

The domestic demand is about 26 million tonnes. Just about five lakh tonnes of sugar were exported in 2017-2018 and the estimated target is to export five million tonnes during 2018-2019.

GOVERNMENT PACKAGE

The Union government recently announced a ₹5,500 crore package. This includes ₹1,375 crore towards internal transport, freight handling, and other charges for exports and ₹4,163 crore directly to farmers as part of fair and remunerative price (FRP) for 2018-19, which will reduce sugar mill's cane price liability, if they fulfil the stipulations of the Department of Food and Public Distribution.

The package is primarily expected to help sugar mills offload surplus stock and ensure farmers get timely payment. According to sugar industry sources Though the announcement bolsters hope for a better season ahead, it is inadequate.

The international sugar prices are low compared with India's domestic raw sugar price by almost ₹12-₹13 a kg, and the global price outlook is depressing for the 2018-2019 season too.

The support for transport charges to the ports might reduce this loss by ₹2.5 to ₹3 a kg. The financial support to sugar mills is based on conditions. In 2017-2018 too, the government came out with a package a few months before the season ended. It then announced ₹5.50/quintal as assistance for cane crushed. However, there were hardly any takers, as the difference between the domestic ex-mill price after fixing of MSP for sugar and the global market price increased.

Hence, this season, the industry wants the government to make exports compulsory for each sugar mill and, simultaneously, if prices in domestic market improve a bit, it may compensate the loss on exports. Further, the government-fixed minimum price for sugar (factory gate price) should be increased to ₹34 a kg from ₹29 a kg, the industry said. The support announced by the government will move sugar for exports, thus reducing the stock with the mills.

The industry eagerly awaits an announcement by the government to make exports compulsory for each sugar mill, along with procedures for strong implementation to ensure that each sugar mill fulfils its individual export target,

India's domestic sugar market is in the doldrums, as the international market price of sugar has been falling. Higher sugarcane production in the 2017-18 crop year has only made the problem more complex. The government has implemented a number of policy fixes to help sugar mills and cane producers. They fall into two broad categories: Increasing exports and finding alternative markets. However, both options are complex, as increasing sugar exports is not easy when world prices are sluggish. Diverting a significant portion of current sugar stocks to the production of renewable fuels, mainly ethanol, also has its own challenges, including government restrictions on food-based feedstock use on energy production.

In addition, per capita sugar consumption is stable or slightly declining globally, and other technologically advanced major sugar producing countries, including Brazil and Thailand, are formidable competitors, so Indian sugar exporters would face serious challenges in the world market.

Growing sugarcane as a commercial crop venture could be an effective tool for reaching the government goal of doubling farmer income by 2022. But bold policy alternatives are needed to make that a reality. This post aims to shed light on the consequences of the removal of restriction on direct sugar use as feedstock for ethanol production on overall domestic sugar demand.

FALL IN PRICES

India is the world's second largest producer of sugar, and its domestic sugar mills face downward price pressure in both international and domestic markets. According to the Department of Consumer Affairs, the domestic retail price of sugar dropped by 14 percent to \$0.54 per kg in May 2018 from a high of \$0.64 per kg in September 2017.

CONTD.....



Understanding the importance of a stable sugar price for domestic sugar mills and farmers, the government has imposed reverse stock holding limits on sugar mills, restricting the amount of sugar they can stockpile.

Exporting the surplus sugar to the deficit region of the world could be an option here. In anticipation of future growth in the export market for sugar, the government took measures such as doubling customs duties on sugar imports to 100 percent, and reducing tariffs on sugar exports to zero. The government is also negotiating sugar exports to China. However, this strategy faces problems as Indian sugar producers may face tough competition from Brazil and Thailand.

LOOKING AHEAD

The Indian government's policies to boost sugar exports likely face challenges in the form of competition from other major international players. Subsidizing sugar exports may also land India in World Trade Organization disputes with competitors. If implemented strategically, India's ethanol blending program could be a powerful tool to stabilize sugar prices and increase farmers' income. It can further help to reduce India's dependence on foreign crude oil.

ALCOHOL & ETHANOL BLENDING

Ethanol is an agro-based product, mainly produced from a by-product of the sugar industry, namely molasses. In years of surplus production of sugarcane, when prices are depressed, the sugar industry is unable to make timely payment of cane price to farmers. The Ethanol Blending Programme (EBP) seeks to achieve blending of Ethanol with motor spirit with a view to reducing pollution, conserve foreign exchange and increase value addition in the sugar industry enabling them to clear cane price arrears of farmers.

The Central Government has scaled up blending targets from 5% to 10% under the Ethanol Blending Programme (EBP). The procedure of procurement of ethanol under the EBP has been simplified to streamline the entire ethanol supply chain and remunerative ex-depot price of ethanol has been fixed. To facilitate achieving of new blending targets, a "grid" which networks distilleries to OMC depots and details quantities to be supplied has been worked out. State-wise demand profile has also been projected, keeping in view distances, capacities and other sectoral demands. Excise duty has also been waived on ethanol supplies to OMCs for EBP by sugar mills during 2015-16 (up to 10 August, 2016).

The results have been quite encouraging, with supplies doubling every year. In the year 2013-14, ethanol supplied for blending was only 38 crore ltrs, whereas in 2014-15, under the modified EBP supplies increased to 67 crore ltrs. In the ethanol season 2015-16, the ethanol supply has been historically high and has reached 111 crore ltrs achieving 4.2% of blending. In the ethanol season 2016-17, out of 80 crore ltrs contracted, about 66.51 crore ltrs has been supplied.

Further, in the ethanol season 2017-18, agreement were signed for supply of 164 cr litres, out of which about 150.5 cr ltrs have been supplied. In the current ethanol season 2018-19 (December-November), out of 237.62 crore ltrs contracted about 94 crore ltrs have been supplied till 02.05.2019.

FIXATION OF REMUNERATIVE PRICE OF ETHANOL FOR ETHANOL SEASON 2018-19 (December to November)

With a view to support sugar sector and in the interest of sugarcane farmers, the Government has fixed the remunerative ex-mill price of ethanol derived from C-heavy molasses @ Rs. 43.46/litre for ethanol season 2018-19 (Dec to Nov). For the first time the Government has also fixed ex-mill price of ethanol derived from B-heavy molasses at Rs.52.43/litre; and from 100% sugarcane juice at Rs.59.13 per litre for those mills who will divert 100% sugarcane juice for production of ethanol thereby not producing any sugar. This will improve the liquidity of sugar mills thereby enabling them to clear cane price arrears of farmers.

Steps taken for augmentation of ethanol production capacity for increasing supply of ethanol under ethanol blending petrol programme

(i) Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity

In order to augment ethanol production capacity and thereby also allow diversion of sugar for production of ethanol, in principal approval has been granted for extension of soft loan of Rs. 6139 crores through banks to the mills for setting up new distilleries/ expansion of existing distilleries and installation of incineration boilers or installation of any method as approved by Central Pollution Control Board for Zero Liquid Discharge for which Government will bear interest subvention of Rs. 1332 crore. About 114 sugar mills are likely to be benefitted as a result of this measure and ethanol production capacity of sugar mills in the country is likely to be enhanced by about 200 crore litres per annum in the coming 3 years.

(ii) New scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity

The Government has notified a new scheme on 08.03.2019 for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity. Under the scheme Government would bear Rs.2790 crore towards interest subvention for extending indicative loan amount of Rs.12900 crore by banks to the sugar mills for augmentation of ethanol producing capacity.

(iii) Scheme for extending financial assistance to molasses based stand-alone distilleries

The Government has notified a scheme on 08.03.2019 for extending financial assistance to molasses based stand-alone distilleries. Under the scheme, Government would bear Rs.565 crore towards interest subvention for extending indicative loan amount of Rs.2600 crore by banks to the molasses based standalone distilleries to augment their ethanol production capacity.

SUGAR MILLS & DISTILLERY EXPANSION

Your company had expand the capacity of Sugar (from 6250 to 7000 TCD) and Distillery (From 45 to 70 KLPD) both during the last off-season. Both the expansion work had completed well before start of the season and we hope that in the coming season the Company will get extra profit on account of the above expansion.

**14) GENERAL SHAREHOLDERS INFORMATION:-**

- a) **Annual General Meeting** : 23rd September, 2019 at 11.00 a.m.
Date, Time and Venue of next P.H.D. House, 4/2, Siri Institutional Area,
Annual General Meeting August Kranti Marg, Opposite Asian Village
New Delhi 110 016
- b) **Financial Calendar (2019-2020):**
Financial reporting for the quarter ending 30th June, 2019 : upto 14th August, 2019
Financial reporting for the quarter ending 30th September, 2019 : upto 14th November 2019
Financial reporting for the quarter ending 31st December, 2019 : upto 14th February, 2019
Financial reporting for the quarter ending 31st March, 2020 : 30th May, 2020 (Audited)
- c) **Date of Books closure** : 11 September, 2019 to 23rd September, 2019 (both days inclusive)
- d) **Dividend payment date** : No Dividend is declared by the Company due to Heavy Losses.
- e) **Listing on Stock Exchange** : Bombay Stock Exchange Ltd.
25th Floor, P.J. Tower, Dalal Street,
Mumbai – 400 001.
: The Company has paid the listing fee to BSE Ltd. for the financial year 2019-20.
- f) **Stock Code** : 532879 of Bombay Stock Exchange Ltd.
- g) **Corporate Identity Number (CIN)** : Our Corporate Identity No. is
L51909DL1933PLC009509, allotted by the
Ministry of Company Affairs, Government of
India and our Company Registration No. is 9509.

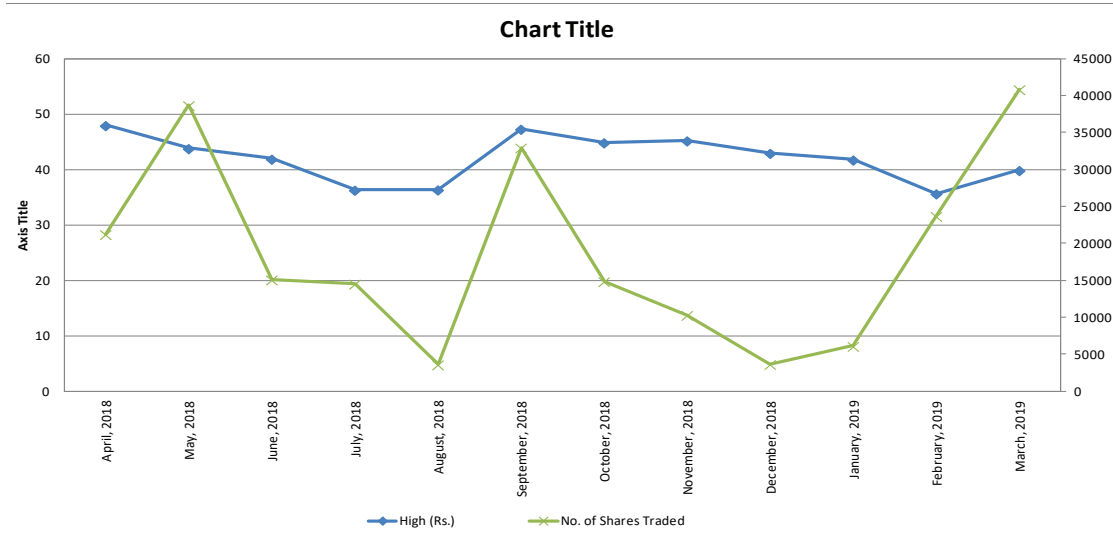
MARKET PRICE DATA:

The Market Price Data and Volume from 1st April, 2018 to 31st March, 2019 on the Bombay Stock Exchange Limited, Mumbai is given below:

Month	High (Rs.)	Low (Rs.)	No. of Shares Traded
April, 2018	48.00	33.10	21259
May, 2018	43.85	31.65	38705
June, 2018	41.95	30.60	15131
July, 2018	36.35	30.80	14557
August, 2018	36.40	31.75	3645
September, 2018	47.35	33.00	32981
October, 2018	44.90	36.15	14892
November, 2018	45.25	35.40	10334
December, 2018	43.00	33.95	3693
January, 2019	41.80	30.30	6129
February, 2019	35.70	25.25	23719
March, 2019	39.90	28.00	40860

- i) **BSE Sensex, Crisil Index etc** : Performance of share price of the Company in comparison to BSE Sensex during the period 01-04-2018 to 31-03-2019 is given below:

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j) Registrar & Transfer Agent

: M/s Alankit Assignment Ltd., Alankit House, 2E/21, Jhandewalan Extension, New Delhi- 110 055 have been acting as the Registrar and Share Transfer Agent for shares of the company.

k) Share Transfer System

: The transfer of shares in physical form is processed by the Secretarial Department of the Company on the basis of data forwarded by the Share Transfer Agent, M/s Alankit Assignment Ltd. within the prescribed time. The Share Transfer Committee/Board of Directors approves transfer of shares in physical form, transmission of shares, transposition of name, consolidation/split of share Certificates, remat of shares and issue of duplicate share certificates in lieu of the lost/ misplaced share certificates. The Share Transfer Committee of the Board of Directors meet as and when required to consider and approve the share transfer/transmission applications.

In case of shares in Electronic form the transfers are processed through Share Transfer Agent by NSDL/CDSL through respective Depository participants and the details on a regular basis are placed before the Share Transfer Committee of the Board of Directors / Board of Directors.

L) DISTRIBUTION OF SHAREHOLDING AND SHAREHOLDING PATTERN AS ON 31.03.2019

(I) DISTRIBUTION OF SHAREHOLDING:

Category	No. of Shareholders	%age	Physical	NSDL Demat	CDSL Demat	Total No. of Shares	%age
1 to 500	7307	93.404	4697	1656	954	191786	3.653
501 to 1000	198	2.531	55	91	52	145522	2.772
1001 to 2000	125	1.598	23	66	36	184191	3.508
2001 to 3000	46	0.588	7	22	17	116058	2.211
3001 to 4000	30	0.383	3	18	9	105626	2.012
4001 to 5000	29	0.371	2	14	13	132219	2.518
5001 to 10000	40	0.511	6	25	9	278017	5.296
10001 and above	48	0.614	8	29	11	4096581	78.030
Total	7823	100.000	4801	1921	1101	5250000	100.000

**SHAREHOLDING PATTERN:**

	Physical Form		Demat Form		Total	
	No. of Shares	(%age)	No. of Shares	(%age)	No. of Shares	(%age)
A. Promoters' Holding						
1. Indian Promoters	–	–	2865290	54.577	2865290	54.577
2. Foreign Promoters	–	–	–	–	–	–
Total (A)	–	–	2865290	54.577	2865290	54.577
B. Non-Promoters Holding						
(i) Institutional Investors						
1. Mutual Funds and UTI	–	–	–	–	–	–
2. Banks, Financial Institutions, Insurance Companies, (Central/State Government Institutions, Non-Government Institutions)	–	–	471214	8.976	471214	8.976
3. FIIs	–	–	–	–	–	–
Sub-total (B-i)	–	–	471214	8.976	471214	8.976
(ii) Non-Institutional						
1. Private Corporate Bodies	18676	0.356	242556	4.620	261232	4.976
2. Indian Public	306692	5.841	1332657	25.384	1639349	31.225
3. NRIs	2277	0.043	10638	0.203	12915	0.246
Sub total (B-ii)	327645	6.240	1585851	30.207	1913496	36.447
Total (B)	327645	6.240	2057065	39.183	2384710	45.423
Grand Total (A+B)	327645	6.240	4922355	93.760	5250000	100.000

(M) DEMATERIALIZATION

The Shares of the Company can be held in dematerialized mode with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN No. of the Company is INE 117 H 01019. As on 31.3. 2019, 94.16% of the Equity Shares of the company were in dematerialized form and the balance 5.84% shares in physical form.

STATUS OF DEMATERIALIZATION AS ON MARCH 31, 2019

Particulars	No. of Shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	3668213	69.87	1921
Central Depository Services (India) Limited	1275095	24.29	1101
TOTAL DEMATERIALIZED	4943308	94.16	3022
PHYSICAL	306692	5.84	4801
GRAND TOTAL	5250000	100.00	7823

n) Outstanding GDRs/ADRs/ warrants or any convertible Instruments Conversion Dates and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments

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EQUITY SHARES IN THE SUSPENSE ACCOUNT

In terms of Clause 5A(I) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense account which were issued to the shareholders of the Company:

	Number of shareholders	Number of equity shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2018	141	27524
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	0	0
Number of shareholders to whom shares were transferred from the suspense account during the year	0	0
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2019	141	27524

No share was transferred from the suspense account to the shareholders' accounts, during the year.

The voting rights on the shares outstanding in the suspense account as on March 31, 2019 shall remain frozen till the rightful owner of such shares claims the shares.

- p) **Plant Location**
- | | |
|--|--|
| i) Upper Doab Sugar Mills,
SHAMLI – 247 776 (U.P.) | Ph. No. : 01398-250064
Fax No. : 01398-250032 |
| ii) Shamli Distillery & Chemical Works,
SHAMLI – 247 776 (U.P.) | Ph. No. : 01398-250100
Fax No. : 01398-250097 |

Address for Correspondence	Registered Office	Share Transfer Agent
	4-A, Hansalaya 15, Barakhamba Road New Delhi-110 001 Telephones: 011-23316409 011-23310414 Fax: 011-23722193	M/s.Alankit Assignments Ltd., Alankit House' 2-E/21, Jhandewalan Extn New Delhi-110 055 Telephones: 011-23541234 011-42541234 Fax: 011-42540064

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants.

- r) Secretarial Auditor : As a measure of good Corporate Governance practice, the Board of Directors of the Company appointed M/s Saini & Co., Company Secretaries, to conduct the Secretarial Audit for the financial year ended March 31, 2019.
- s) Secretarial Audit for reconciliation of capital : As stipulated by SEBI, a practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This Audit is carried out every quarter and the report thereon is submitted to the Stock Exchange where the shares of the Company are listed. The said Audit Reports confirm that the total issue / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- (15) Compliance Officer : Mr. Ajay Kumar Jain is the Compliance Officer for complying with the requirement of SEBI (LODR) Regulations 2015 with the BSE Limited

**(16) Compliance Certificate of the Auditors**

: The Secretarial Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015 and the same is annexed to the Directors ' Report on Corporate Governance.

The certificate from the Statutory Auditors will be sent to the listed Stock Exchanges along with Annual Report of the Company.

(17) CEO/CFO Certification

: Pursuant to SEBI (LODR) Regulations, 2015, the CEO/ CFO have submitted the desired certificate to the Board of Directors & the same has been taken on record by the Board of Directors in their meeting held on 22.07.2019.

For and on behalf of the Board of Directors of
Sir Shadi Lal Enterprises Ltd.,

Place: New Delhi
Dated: 22nd July, 2019

Rajat Lal
Managing Director
(DIN-00112489)

R.C. Sharma
Chairman
(DIN-00023274)



SIR SHADI LAL ENTERPRISES LIMITED

CEO / CFO CERTIFICATION

The Board of Directors
Sir Shadi Lal Enterprises Limited
New Delhi 110 001

Reg.: Financial Statements for the year ended 31st March, 2019-Certification by Managing Director/CEO and Chief Financial Officer

We, Rajat Lal, Managing Director/CEO and Gajendra Sharma, CFO of Sir Shadi Lal Enterprises Limited, do hereby certify that to the best of our knowledge and belief :

- A) We have reviewed the Balance Sheet as at 31st March, 2019, Statement of Profit & Loss for the year ended on that date along with its Notes, Notes to Accounts and the Cash Flow Statement for the year and that to the best of our knowledge and information, confirm that:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C) We accept responsibility for establishing and maintaining internal control systems for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D) We have indicated to the Auditors and the Audit Committee of the Company, the following :
 - i) Significant changes in internal control over financial reporting during the year
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements
 - iii) Instances of significant fraud, of which we have become aware, and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: New Delhi
Date: 22nd July, 2019

Gajendra Kumar Sharma
Chief Financial Officer

Rajat Lal
Managing Director/CEO



CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Sir Shadi Lal Enterprises Limited
 4-A, Hansalaya, 15, Barakhamba Road, New Delhi 110 001

We have examined the compliance of the conditions of Corporate Governance by Sir Shadi Lal Enterprises Limited ("the Company") for the year ended 31st March 2019 regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations). The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement/Listing Regulations, as applicable.

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

For Rahul Saini & Co.
 Company Secretaries

Place: New Delhi
 Date: 22nd July, 2019

RAHUL SAINI
 Proprietor
 FCS 16716 C.P. No.7009

DECLARATION BY CHIEF EXECUTIVE OFFICER (MD)

[Regulation 34(3) read with schedule V (Part D) of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015]

I, Rajat Lal, Managing Director and CEO of Sir Shadi Lal Enterprises Limited hereby declare that all the members of Board of Directors and Senior Management have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management of the Company.

Place: New Delhi
 Date: 22nd July, 2019

Rajat Lal
Managing Director and CEO

**INDEPENDENT AUDITORS' REPORT**

To,
The Members of
Sir Shadi Lal Enterprises Limited

Report on the Standalone Ind AS Financial Statements**OPINION**

We have audited the accompanying standalone financial statements of Sir Shadi Lal Enterprises Limited ("the Company") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the 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 information (here in after referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind As") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and the loss, and total comprehensive income, changes in equity and its Cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key Audit Matters are those matters that, in our professional judgement, 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 informing our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our audit report.

Sr. No	Key Audit Matters	Auditor's Response
1	The Net Worth of the company has since been eroded on account of operational losses, incurred by the company up to the F.Y. 2014-15, which was basically on account of low recovery of sugar from sugarcane. Whereas on account of improvement in the sugar manufacturing unit, during the season 2015-16, the recovery has substantially improved with the result that the company has earned profit during the year 2016-17. As such the company will remain as a going concern and is likely to pay its liabilities including cane dues from expected generation of cash flow. However the accumulated losses of the company as at 31.03.2019 were Rs 10445.28 Lakhs as against the paid up capital of Rs 525.00 Lakhs.	Attention is invited to note no. 46 of the Financial Statements, wherein it is explained that the Company has significant accumulated losses which have resulted in erosion of the net worth of the Company as on 31 st March 2019. The reasons for improvement explained by the Company in the said note no. 46 that it will continue as a going concern and it will likely to pay its liabilities from expected generation of cash flow are in our opinion uncertain. We are unable to comment upon the said uncertainties.

OTHER MATTER

1. The Company has not maintained accounts on "Accrual Basis" to the extent:
 - i) of Rs. 5969.02 Lacs in respect of interest on late payment of Cane price, which have not been provided as stated by the Company in Note No. 36 of the aforesaid Standalone Financial Statements.
 - ii) of liability (which is not determined by the Company) towards bonus relating to Financial Year 2014-15 in accordance with revised Bonus Notification dated 1st January 2016, as stated by the Company in Note No. 37 of the aforesaid Financial Statements.
2. As stated in Note No. 38 to the Standalone Financial Statements, the managements has decided, not to make any further provision this year for Deferred Tax Assets. The management in view of current year loss and accumulated losses and in absence of virtual certainty about future profitability, has decided not to account for the effect of Deferred Taxation for this year, and continuing to carry forward the Deferred Tax Assets Rs. 6881.11 Lakhs already accounted for in earlier years.

OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. This comprises the information included in the



Director's report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement 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.

Auditor's Responsibilities for the Audit of Standalone Financial Statement

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

As part of an audit in accordance with SAs, we exercise professional

judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

CONTD.....



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1) As required by 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 companies Act, we give in the "Annexure A" a Statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books .
 - c) The Balance Sheet, the Statement of Profit and Loss, (including other comprehensive income), the Statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act,
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

ANNEXURES TO AUDITORS' REPORT CONTD.....

- f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note No. 35 of the Standalone financial statements);
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any foreseeable losses; and
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For M. SHARAN GUPTA & CO.
Chartered Accountants
(Firm's Registration No. 06430N)**

M.S. Gupta

Proprietor

(Membership No. 084721)

Place : New Delhi

Dated : 25th May, 2019



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Annexure “A” To The Independent Auditor’s Report of even date of the Standalone Ind AS Financial Statements of Sir Shadi Lal Enterprises Limited for the year ended on 31st March, 2019.

(Referred to in paragraph 1 of the Independent Auditors’ Report of even date under the heading “Report on Other Legal and Regulatory Requirements” to the members of Sir Shadi Lal Enterprises Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2019.)

- i. In respect of the Company’s fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - b. The Company’s programme of physical verification of all its fixed assets once in three years, is in our opinion, reasonable having regard to the size of the Company and the nature of its fixed assets. We are informed that in accordance with the programme no physical verification of fixed assets was carried out during the year under report.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are stated to be held in the name of the Company. The original Title Deeds were not produced to us for our verification and we were told that same are deposited as security with State Bank of India and District Co-Operative Bank.
- ii. a) During the year, the inventories have been physically verified by the management except Shamli Distillery and material sent for job work and lying with third party. In our opinion, the frequency of verification is reasonable.
 - b) The discrepancies noticed on physical verification between the physical stocks and the book records were not material, however, the discrepancies noticed have been properly accounted for in the books of account.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, investments, guarantees, and securities.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year, therefore, the provisions of clause (v) of paragraph 3 of the Order, is not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014 prescribed by the Central Government under Section 148 (1) (d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. a) According to the information & explanations given to us and on the basis of our examination of the records of the Company, there is no undisputed amounts payable in respect of provident fund, employees’ State insurance, income-tax, value added tax, wealth-tax, Goods and service-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date of becoming payable.
 - b) According to the records of the Company and the information and explanations given to us, there are no amounts in respect of income-tax, value added tax, sales tax, wealth-tax, Goods and service-tax, customs duty, excise duty and cess, which have not been deposited with the appropriate authorities on account of any dispute, other than mentioned in ‘Annexure-1’ to this report.
 - c) Except Goods & Service Tax, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employee’s State Insurance, Income Tax, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks or Government during the year. The Company has no outstanding dues in respect of financial institutions or debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 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 to 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.
- xiv. 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.
- 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 M. SHARAN GUPTA & CO.
Chartered Accountants
(Firm’s Registration No. 06430N)
 M. S. GUPTA
 Proprietor
 (Membership No. 084721)

Place: New Delhi
 Date: 25.05.2019



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of SIR SHADI LAL ENTERPRISES LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally

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

LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M. SHARAN GUPTA & CO.
Chartered Accountants
(Firm's Registration No. 06430N)

Place: New Delhi
Date: 25.05.2019

M. S. GUPTA
Proprietor
(Membership No. 084721)



(Annexure-1 as referred to in Para vii (b) of Annexure 'B' to the Auditors' Report of even date to the members of Sir Shadi Lal Enterprises Limited on the accounts for the year ended 31st March, 2019).

Following are the particulars of disputed dues (provided/considered contingent liability, as appropriate) as on 31.03.2019 on account of Income-Tax, Sales-Tax, and Excise matters that have not been deposited on account of dispute:

Name of the Statute	Nature of the Dues	Amount (Rs. In Lakhs)	Period to which the Amounts relates	Forum where dispute is pending
Sales Tax Act	Entry Tax	3.38	2012-2013	Addl. Commissioner Appeal, Muzaffarnagar
Central Excise Act	Duty/Penalty	0.68	2005-2006	Commissioner Appeal, Muzaffarnagar
U.P. Excise Act	Penalty for Low Recovery duty/ Penalty	1.85	1991-1992	Excise Commissioner ,Allahabad
		55.42	1988-1989	Weight & Measurement Department Saharanpur, High Court, Allahabad
National Company Law Tribunal	Security Deposit for Appeal	37.46	2011-2012 2012-2013 2013-2014	Competition Commission of India.

We have been informed that apart from above; there are no dues in respect of Wealth-tax, Goods and Service-tax, and Custom Duty which have not been deposited on account of any dispute.

For M. SHARAN GUPTA & CO.
Chartered Accountants
(Firm's Registration No. 06430N)

M. S. GUPTA
Proprietor
(Membership No. 084721)

Place: New Delhi
Date: 25th May, 2019



SIR SHADI LAL ENTERPRISES LIMITED

BALANCE SHEET

AS AT 31ST MARCH, 2019

Particulars	Note No.	As at March 31, 2019 Rs. in Lakhs	As at March 31, 2018 Rs. in Lakhs
ASSETS			
(1) Non-current assets			
[a] Property, Plant and Equipment	3	5,980.18	3,270.21
[b] Capital work-in-progress	3.2	57.38	49.96
[c] Other intangible assets	3.3	3.66	9.14
[d] Financial assets			
[i] Investments	4	-	-
[ii] Trade receivables	5	61.29	41.77
[iii] Loans	6	0.50	0.50
[iv] Other financial assets	7	432.48	368.70
[e] Deferred tax assets (net)	8	6,881.11	6,881.11
[f] Other Non-current assets	9	-	443.66
Sub Total (Non-current assets)		13,416.60	11,065.05
(2) Current assets			
[a] Inventories	10	21,966.12	19,683.05
[b] Financial assets			
[i] Trade receivables	11	595.51	494.31
[ii] Cash and cash equivalents	12	634.89	158.11
[iii] Bank Balance other than cash and cash equivalents	13	968.46	1,857.13
[iv] Other financial assets	14	91.58	97.25
[c] Other current assets	15	1,693.76	306.65
Sub Total (Current assets)		25,950.32	22,596.50
Total Assets		39,366.92	33,661.55
EQUITY AND LIABILITIES			
EQUITY			
[a] Equity Share capital	16	525.00	525.00
[b] Other Equity	17	(10,445.28)	(6,956.46)
Sub Total (Equity)		(9,920.28)	(6,431.46)
LIABILITIES			
(1) Non-current liabilities			
[a] Financial Liabilities			
[i] Borrowings	18	7,136.77	3,085.92
[b] Provisions	19	1,067.76	967.31
[c] Other non current liabilities	20	1,116.95	95.02
Sub Total (Non-current liabilities)		9,321.48	4,148.25
(2) Current liabilities			
[a] Financial Liabilities			
[i] Borrowings	21	10,642.92	10,190.72
[ii] Trade payables	22	21,818.82	21,090.11
[iii] Other financial liabilities	23	3,545.19	2,638.70
[iv] Other Current Liabilities	24	3,880.38	1,931.33
[b] Provisions	25	78.41	93.90
Sub Total (Current liabilities)		39,965.72	35,944.76
Total Equity and Liabilities		39,366.92	33,661.55
Notes on Financial Statements	1 to 48		

As per our report of even date for M.SHARAN GUPTA & CO. Chartered Accountants Firm Registration No. 06430N

M.S. GUPTA
Proprietor
Membership No. 084721
Place : New Delhi
Date : 25th May, 2019

A.K. JAIN
Company Secretary
(M. No. FCS5826)

VIVEK VISWANATHAN
Joint Managing Director
(DIN : 00141053)

RAHUL LAL
Joint Managing Director
(DIN : 06575738)

RAJAT LAL
Managing Director
(DIN : 00112489)

Directors :

Onke Aggarwal (DIN : 00141124)
Hemantpat Singhania (DIN : 00141096)
R.C. Sharma (DIN : 00023274)
Radhika Viswanathan
Hoon (DIN : 06436444)
Ajit Hoon (DIN : 00540300)



STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note No.	For the year ended March 31, 2019 Rs. in Lakhs	For the year ended March 31, 2018 Rs. in Lakhs
Continuing Operations			
I. Revenue from operations	26	37,248.31	39,845.87
II. Other Income	27	112.16	141.92
III. Total Income (I+II)		37,360.47	39,987.79
IV. Expenses			
Cost of material consumed	28	33,803.82	38,211.59
Changes in Inventories Finished goods, Work-in-Progress and Stock-in-Trade	29	(1,945.45)	(5,190.57)
Excise Duty on Sale of Goods	30	-	689.73
Employee Benefits Expense	31	3,179.58	3,052.93
Finance costs	32	2,109.65	1,874.97
Depreciation and amortization expenses	33	496.16	397.96
Other expenses	34	3,218.31	3,336.15
Total Expenses (IV)		40,862.07	42,372.76
V. Profit / (Loss) before exceptional items and tax		(3,501.60)	(2,384.97)
VI. Exceptional items			
VII. Profit / (Loss) before tax from continuing operations		(3,501.60)	(2,384.97)
VIII. Tax expense:			
Current tax			
Deferred tax			
Total tax expenses (VIII)			
IX. Profit / (Loss) from continuing operations (VII-VIII)		(3,501.60)	(2,384.97)
X. Profit / (Loss) from discontinued operation			
XI. Tax expenses of discontinued operations			
XII. Profit / (Loss) from discontinued operation (after tax) (X-XI)			
XIII. Profit / (Loss) for the year		(3,501.60)	(2,384.97)
XIV. Other Comprehensive Income (Refer Note No. 31.4)			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of Post employment benefit obligations		12.78	(359.40)
(ii) income tax relating to items that will not be reclassified to profit or loss			
XV. Total Comprehensive Income for the period (XIII+XIV)		(3,488.82)	(2,744.37)
XVI. Earnings per equity share			
- Basic		(66.697)	(45.428)
- Diluted		(66.697)	(45.428)

Figures in () denote (-) figures.

Notes on Financial Statements

1 to 48

As per our report of even date
for M.SHARAN GUPTA & CO.
Chartered Accountants
Firm Registration No. 06430N

M.S. GUPTA
Proprietor
Membership No. 084721
Place : New Delhi
Date : 25th May, 2019

A.K. JAIN
Company Secretary
(M. No. FCS5826)

VIVEK VISWANATHAN
Joint Managing Director
(DIN : 00141053)

RAHUL LAL
Joint Managing Director
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R.C. Sharma (DIN : 00023274)
Radhika Viswanathan
Hoon (DIN : 06436444)
Ajit Hoon (DIN : 00540300)

**NOTES TO THE FINANCIAL STATEMENTS****For The Year Ended March 31, 2019****Note 1: Corporate Information**

Sir Shadi Lal Enterprises Limited ("the Company") is a company limited by shares, incorporated and domiciled in India. The Company's equity shares are listed at one recognised stock exchanges in India (BSE). The registered office of the Company is located at New Delhi. The Company is engaged in diversified businesses mainly categorised into two segments – Sugar business and Distillery business. Sugar businesses primarily comprise manufacture of Sugar. Distillery business primarily comprises manufacture of Sprit and Alcohol.

Note 2: Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and presentation**(a) Compliance with Ind As**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act

(b) Historical cost convention

The financial statements have been prepared on a historical cost basis except for certain assets and liabilities that are measured at fair values at the end of each reporting period, as explained in the respective accounting policies described in subsequent paragraphs.

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

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note-43 for segment information presented.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, rebates, other similar allowances and goods and services tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Recognising revenue from major business activities**a) Sale of goods**

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.2 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.3 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the



NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended March 31, 2019

period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expended in the period in which they are incurred.

2.5 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit 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. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) Deferred tax

Deferred tax is recognised 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 recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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 asset to be recovered.

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 realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.6 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment shall be recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Expenditure during construction period incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets, and are included under "Capital Work-in-Progress". These expenses are apportioned to fixed assets on commencement of commercial production. Capital Work-in-Progress is stated at the amount incurred up to the date of Balance Sheet.

Each part of item of property, plant and equipment, if significant in relation to the total cost of the item, is depreciated separately. Further, parts of plant and equipment that are technically advised to be replaced at prescribed intervals/period of operation, insurance spares and cost of inspection/overhauling are depreciated separately based on their specific useful life provided these are of significant amounts commensurate with the size of the Company and scale of its operations. The carrying amount of any equipment / inspection / overhauling accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any 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 profit or loss.

Transition to Ind As

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended March 31, 2019

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are available for their intended use. Depreciation on Fixed Assets is provided on the written down value method in accordance with Schedule II of the Company Act 2013 and adopted useful life as stated in Schedule II alongwith residual value of 5% of the cost of assets except, fixed assets individually costing upto Rs. 5000 is being fully depreciated in the year of purchase.

Intangible Assets are recognized as specified in the applicable Accounting Standard and are amortized in 36 Months

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.7 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful lives of the intangible assets are as follows:

Assets	Estimated useful life
Computer software	36 months

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

Transition to Ind As

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

2.8 Inventory Valuation

- Raw materials and stores & spares are valued at average cost.
- Work-in-Progress is valued at estimated cost.
- Finished stocks are valued at "Lower of Cost and net Realisable Value" as prescribed by Accounting Standard-2 issued by the Institute of Chartered Accountants of India except that the by product of Molasses and Bagasse has been valued at net realisable value because their cost price is not ascertainable.

2.9 Provisions, contingent liabilities and contingent assets

- Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised 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. When the effect of the time value of money is material, provision is measured at the present value of cash flows estimated to settle the present obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- A contingent liability is not recognised in the financial statements, however, is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. It becomes probable that an outflow of future economic benefits will be required for an item dealt with as a contingent liability, a provision is recognised in the standalone financial statements of the period (except in the extremely rare circumstances where no reliable estimate can be made).
- A contingent liability is not recognised in the financial statements, however, is disclosed, where an inflow of economic benefits is probable. When the realisation of income is virtually certain, then the asset is no longer a contingent asset, and is recognised as an asset.
- Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.10 Employee Benefits

a) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences and performance incentives and are recognized as expenditure at the undiscounted value in the period in which the employee renders the related service.

b) Post-employment benefits :

Contributions to defined contribution schemes such as Provident Fund, Pension Fund etc. are recognized as expenses in the period in which the employee renders the related service in respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company.

- Govt. administered fund, company has no further obligations beyond its monthly contributions.



NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended March 31, 2019

- d) The Company is also contributing to superannuation fund for certain key managerial personnel, at pre determined rates to the Superannuation Fund Trust, which is recognized as expenses in the period in which employee renders the related service, and there are no other obligations with regard to superannuation fund of key managerial personnel.
- e) Defined benefit plans - gratuity: Gratuity liability is covered under the gratuity-cum-insurance policy of Life Insurance Corporation of India (LIC). The present value of the obligation is determined based on an actuarial valuation, using the projected unit credit method. Actuarial gains and losses in respect of post-employment and other long-term benefits are charged to the Other Comprehensive Income. The amount funded by the trust administered by the Company under the aforesaid Policy, is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on a net basis.

2.11 Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of a financial liability.

2.12 Current and non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/non-current classification

a) An asset is treated as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period,
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, or
- e) Carrying current portion of non-current financial assets.

b) Liability is current when:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period,
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period, or
- e) It includes current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

2.13 Operating cycle

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current, non-current classification of assets and liabilities.

2.14 Government Grants

Subsidary related to Sugar Cane purchased are recognised, where there is a reasonable assurance that grant will received & all attached condition will complied. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. The benefit of a loan at a below market rate of interest or loan with interest subvention is treated as a Government grant, measured as a difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.15 Compensation

Compensation to employees under Voluntary Retirement Scheme is charged to statement of profit and loss account in the year of accrual.

2.16 Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

2.17 Investment

Unquoted Investments are Stated at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

2.18 Earning per share

Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity share holders by the weighted average number of equity share outstanding during the year.

2.19 Cash and Cash Equivalent

Cash and cash equivalents includes cash in hand and deposits maturing within twelve months from the date of acquisition and which one subject to an insignificant risk of change in value.

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SIR SHADI LAL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 3. PROPERTY, PLANT AND EQUIPMENT

Nature of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As per last balance sheet 31.03.2018	Addition during the year	Sales & Adjustments during the year	Total Cost as on 31.03.2019	Depreciation written off Upto 31.03.2018	Provided during the year	Deduction/ Adjustment during the year	Depreciation written off upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
FIXED ASSETS										
Land (Free hold)	1.39	-	-	1.39	-	-	-	-	1.39	1.39
Buildings	869.57	42.12	2.70	908.99	521.40	41.93	1.93	561.40	347.59	348.17
Plant & Equipments	9,047.77	3,110.68	153.74	12,004.71	6,192.93	419.28	141.95	6,470.26	5,534.45	2,854.84
Electric Installation	85.07	6.00	1.94	89.13	62.81	5.41	1.78	66.44	22.69	22.26
Office Equipments	23.44	2.08	0.26	25.26	17.19	3.11	0.24	20.06	5.20	6.25
Laboratory Equipments	9.08	4.89	-	13.97	6.35	1.73	-	8.08	5.89	2.73
Computer	93.55	4.81	0.31	98.05	79.14	8.16	0.30	87.00	11.05	14.41
Railway sidings & Trolley lines	0.19	-	-	0.19	0.19	-	-	0.19	-	-
Furniture & Fixtures	28.00	2.35	0.36	29.99	26.24	2.02	0.18	28.08	1.91	1.76
Vehicles	67.32	43.52	22.20	88.64	48.92	9.04	19.33	38.63	50.01	18.40
Structure on rented Land	109.99	-	-	109.99	109.99	-	-	109.99	-	-
Total :	10,335.37	3,216.45	181.51	13,370.31	7,065.16	490.68	165.71	7,390.13	5,980.18	3,270.21
Previous Year	10,271.26	129.38	65.27	10,335.37	6,733.93	392.49	61.26	7,065.16		
Note: 3.1. Title deeds of land are lodged as security with State Bank of India, New Delhi and District Co.-Operative Bank, Ghaziabad.										
Note 3.2. CAPITAL WORK-IN-PROGRESS										
Plant & Machinery	49.96	7.42	-	57.38	-	-	-	-	57.38	49.96
Total :	49.96	7.42	-	57.38	-	-	-	-	57.38	49.96
Previous Year	29.39	37.76	17.19	49.96	-	-	-	-		
Note 3.3 OTHER INTANGIBLE ASSETS										
Computer Software	16.42	-	-	16.42	7.28	5.48	-	12.76	3.66	9.14
Total :	16.42	-	-	16.42	7.28	5.48	-	12.76	3.66	9.14
Previous Year	16.42	-	-	16.42	1.81	5.47	-	7.28		



NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended March 31, 2019

Particulars	As at March 31, 2019 Rs. in Lakhs	As at March 31, 2018 Rs. in Lakhs
NOTE 4: NON-CURRENT FINANCIAL ASSETS - INVESTMENTS		
Investment		
Equity instruments (at cost)		
a) Shamli Co-operative Cane Development Union Limited (One Share)	-	-
b) Saharanpur Co-operative Cane Development Union Limited (One Share)	-	-
Total	-	-
Note 4.1: All the above investment are unquoted		
NOTE 5: NON-CURRENT FINANCIAL ASSETS – TRADE-RECEIVABLES		
Unsecured, Considered goods		
Sundry Debtors	61.29	41.77
Total	61.29	41.77
NOTE 6: NON-CURRENT FINANCIAL ASSETS - LOANS		
Loans		
Co-operative Society bearing no interest	0.50	0.50
Total	0.50	0.50
NOTE 7: NON-CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS		
Unsecured, considered good		
- Security Deposit		
- Others (Security Lodged)	41.25	32.44
- Bank fixed deposits lodged as security / Margin money having maturity of more than twelve months	391.23	336.26
Unsecured, considered doubtful		
- Advances recoverable in cash or in kind	1.87	1.87
Less : Allowance for bad and doubtful debts	(1.87)	(1.87)
Total	432.48	368.70
Note 7.1: Confirmation of Security Lodged with different Government Department are awaited.		
Note 7.2: Fixed deposit of Rs.81.07 Lakhs against loan, against Bank guarantee Rs.290.33 Lakhs and against security with Govt. Department Rs.19.76 Lakhs.		
NOTE 8 : NON-CURRENT FINANCIAL ASSETS - DEFERRED TAX ASSETS (NET)		
Deferred tax assets (Net)		
At the year end comprising timing difference on account of :		
Depreciation	236.51	236.51
Less: Expenditure/Provisions allowable on account of :		
Employees Benefits	57.40	57.40
Taxes, duties, cess etc	131.73	131.73
Provision for Bad & doubtful debts.		
Assessed loss under Income Tax Act' 1961.	6,928.49	6,928.49
Total	6,881.11	6,881.11



SIR SHADI LAL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended March 31, 2019

Particulars	As at March 31, 2019 Rs. in Lakhs	As at March 31, 2018 Rs. in Lakhs
NOTE 9: OTHER NON-CURRENT ASSETS		
Other non-current assets		
Capital Advance	-	443.66
Total	-	443.66
NOTE 10 : CURRENT ASSETS – INVENTORIES		
Raw Material		
Raw materials (at average cost)	114.62	82.42
Work - in - progress		
Sugar & Distillery products (at estimated cost)	971.57	628.93
Finished goods		
Sugar & Distillery products (at lower of cost or net realizable value)	20,216.16	18,613.35
Stores and spares		
Stores & spares (at average cost)	660.96	356.74
Others		
Loose tools and others (at average cost)	2.81	1.61
Total	21,966.12	19,683.05
NOTE 11 : CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
- Unsecured, considered good		
Trade receivable	595.51	494.31
- Unsecured, considered doubtful	7.56	7.56
Less : Allowance for bad and doubtful debts	(7.56)	(7.56)
Total	595.51	494.31
NOTE 12 : CURRENT FINANCIAL ASSETS- CASH & CASH EQUIVALENTS		
- Balances with banks		
- In current accounts	630.58	152.70
- Cash in hand	4.31	5.41
Total	634.89	158.11
NOTE 13 : CURRENT FINANCIAL ASSETS - OTHER BANK BALANCE		
Balance with banks:		
- In fixed deposit lodged as security / margin money saving maturing of less than twelve month (refer note no. 13.1)	944.73	1,835.94
- Earmarked - molasses storage facility fund	17.94	14.96
- Earmarked - fixed deposit liquid fund	-	-
- Earmarked - dharmada account	1.73	2.17
- Earmarked - unpaid dividend accounts	4.06	4.06
Total	968.46	1,857.13

Note 13.1 : Fixed Deposits lodged as Security includes Rs. 929.40 Lakhs pledged with bank as security against Loan and Rs. 15.08 Lakhs pledged with bank against Guarantee given by bank on behalf of the Company.

Note 13.2 : Confirmation of Fixed Deposit Lodged as Securities with different Government departments are awaited.



NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended March 31, 2019

Particulars	As at March 31, 2019 Rs. in Lakhs	As at March 31, 2018 Rs. in Lakhs
NOTE 14 : CURRENT FINANCIAL ASSETS -OTHERS		
Others		
Interest accrued	87.71	78.17
Interest on excise loan receivable	3.87	19.08
Total	91.58	97.25
NOTE 15 : OTHER CURRENT ASSETS		
Advances other than capital advances		
Advances to suppliers / Contractors	65.23	156.23
Advance to Employees	0.88	2.73
Pre-paid expenses	49.03	27.07
Balance with Government department		
- Income Tax	26.84	35.82
- Sales tax paid	9.88	9.88
- Excise duty / Purchase tax / GST etc.	1,633.79	128.93
Less : Allowance for bad and doubtful debts	91.89	54.01
Others :		
Good		
Doubtful	265.21	265.21
Less : Allowance for bad and doubtful debts	265.21	265.21
Total	1,693.76	306.65
NOTE 16 : EQUITY		
Note 16.1 Authorized Share Capital		
Authorized		
200.00 Lakhs (Previous year 200.00 Lakhs)		
Equity shares of Rs. 10/- each	2,000.00	2,000.00
Total	2,000.00	2,000.00
Note 16.2 : Issued share capital		
Issued, Subscribed & fully paid up		
52.50 Lakhs (Previous year 52.50 Lakhs) Equity shares of Rs. 10/- each	525.00	525.00
Total	525.00	525.00
Note 16.3 : Reconciliation of the number of shares		
	Nos. (in Lakhs)	Nos. (in Lakhs)
Number of shares outstanding at the beginning and end of the year	52.50	52.50

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SIR SHADI LAL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended March 31, 2019

Note 16.4 : Shares in the company held by each shareholder more than 5% shares

Name	As at March 31, 2019		As at March 31, 2018	
	No. of Shares (in Lakhs)	%	No. of Shares (in Lakhs)	%
Promoters Holding				
a. Sh. Rajat Lal	9.55	18.184	9.43	17.970
b. Sh. Vivek Viswanathan	12.96	24.690	12.96	24.690
c. Smt. Poonam Lal	2.88	5.481	2.88	5.481
d. Sh. Rahul Lal	2.88	5.481	2.88	5.481
Other Shareholders				
e. LIC of India	3.40	6.477	3.40	6.477
Particulars	As at March 31, 2019 Rs. in Lakhs		As at March 31, 2018 Rs. in Lakhs	

NOTE 17 : OTHER EQUITY

(a) Capital redemption reserve		
Debit balance at the beginning of the year	35.70	35.70
Add: Additions during the year		
Less: Utilized during the year		
Balance outstanding at the end of the year	35.70	35.70
(b) Retained earnings		
Balance outstanding at the beginning of the year	(6,992.16)	(4,247.79)
Add Net Profit / (loss) for the Year	(3,501.60)	(2,384.97)
Add/Less: Total comprehensive income for the year	12.78	(359.40)
Balance outstanding at the end of the year	(10,480.98)	(6,992.16)
Total Other equity	(10,445.28)	(6,956.46)

NOTE 18 : NON CURRENT FINANCIAL LIABILITIES – BORROWINGS

Long Term borrowings (at amortized cost)

Secured

Term Loan

From banks

(a) State Bank of India (refer note no.18.1)	1,445.74	2,941.65
(b) District Co-operative Bank (SOFT Loan) (refer note no.18.2)	5,691.03	
(c) Punjab National Bank (SEFASU Loan) (refer note no.23.2)	-	89.85
(d) District Co-operative Bank (SEFASU Loan) (refer note no.23.3)	-	54.42
Total	7,136.77	3,085.92

Note 18.1 : Loan from State Bank of India is Secured against by way of Ist Pari-passu charges on the entire fixed assets (excluding 10.49 acres of land) of the company including equitable mortgage of land & building of the company situated at Shamli and also IInd charges over entire current assets including Raw material, stock-in-progress, finished goods, consumable stores and receivables of the company excluding stock pledged with SBI,PNB and DCB and also personal guarantee given by Managing Director and Joint Managing Director.

Note 18.2 : Soft Loan from District Co.-Operative Bank, Ghaziabad under the “ Scheme for Extending Financial Assistance to Sugar Undertaking-2018” is secured by way of Ist pari-passu charge on 10.49 acres of land of the Company situated at Shamli and also personal guarantee of Managing Director.

Figures in () denote (-) figure.

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended March 31, 2019

Note 18.3 : Repayment Schedule

	Working Capital Term Loan from SBI, New Delhi	SEFASU Loan from PNB Shamli	SEFASU Loan from DCB, Ghaziabad	Soft Loan from DCB, Ghaziabad
Repayable in :				
F.Y. 2020-21	1,425.00	-	-	1,600.00
F.Y. 2021-22	-	-	-	1,600.00
F.Y. 2022-23	-	-	-	1,600.00
F.Y. 2023-24	-	-	-	1,600.00
F.Y. 2024-25	-	-	-	400.00
	1,425.00	-	-	6,800.00

Note 18.4: Interest rate @ 13.60% on SBI, IFB New Delhi.**Note 18.5:** Interest rate @ 12% on SEFASU loan from PNB, Shamli & DCB, Ghaziabad, Interest not borne by the Company.**Note 18.6:** Interest rate @ 5% on Soft Loan From DCB, Ghaziabad.

Particulars	As at March 31, 2019 Rs. in Lakhs	As at March 31, 2018 Rs. in Lakhs
NOTE 19 : NON CURRENT PROVISIONS		
Provision for employee benefits		
- Gratuity	937.02	834.72
- Leave encashment	120.48	122.33
- Pension provision	-	-
Provision for expenses	10.26	10.26
Total	1,067.76	967.31
NOTE 20 : OTHER NON CURRENT LIABILITIES		
Security Deposits (refer note no.20.1)	95.02	95.02
Deferred Revenue arising from Government Grant related to Assets	1,017.61	-
- Deferred Revenue arising from Government Grant related to Income	4.32	-
Total	1,116.95	95.02

Note 20.1 : Security deposits as at 31 March 2019 included of Rs. 95.00 Lakhs (previous year Rs. 95.00 Lakhs) deposits from Sugar selling agent which are interest bearing subject of fulfillment of terms and conditions. These deposits are repayable on cessation of contractual arrangement. Interest payable upto 30.09.2018.

NOTE 21 : CURRENT FINANCIAL LIABILITIES – BORROWINGS**Secured****From banks**

Punjab National Bank (refer note no. 21.1)	4,881.25	4,904.21
District Co-operative Bank (refer note no. 21.2)	3,580.74	4,034.19

Unsecured

Loan from related parties (refer note no. 21.3)	2,180.93	1,252.32
Total	10,642.92	10,190.72

Note 21.1 : The working capital loan of Rs. 4881.25 Lakhs from Punjab National Bank, Shamli is secured by way of pledging of Sugar stock of book value of Rs.5738.50 Lakhs and hypothecation of the current assets including stock in process, raw material, stores and spares and book debts and also by way of collateral security on Ist pari-passu charge on the fixed assets including extension of equitable mortgage of land and building of the company at Shamli and also personal guaranteed by Managing Director and Joint Managing Director.

Note 21.2 : The working capital loan of Rs. 3580.74 Lakhs from District Co-Operative Bank, Ghaziabad is secured by way of pledging of Sugar stock of the book value of Rs. 4497.34 Lakhs and also by way of collateral security on IInd pari-passu charges on fixed assets including equitable mortgage of land and building of the company situated at Shamli.

Note 21.3: Interest rate @ 9.50% to 10% on unsecured loan from related party.

Note 21.4: Interest rate District Co.-Operative Bank, Ghaziabad @ 10.25 and Punjab National Bank, Shamli @ 13.30.

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SIR SHADI LAL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended March 31, 2019

Particulars	As at March 31, 2019 Rs. in Lakhs	As at March 31, 2018 Rs. in Lakhs
NOTE 22 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE		
Due to parties registered under MSMED Act	1.69	3.78
Due to other parties	21,817.13	21,086.33
Total	21,818.82	21,090.11

Note 22.1 : Parties covered under “The Micro, Small and Medium Enterprises Development Act, 2006” (MSMED Act, 2006) have been identified on the basis of intimation received by the Company from its suppliers.

Note 22.2 : Based upon the information available, the balance due to the Micro and Small Enterprises as defined under the MSMED Act, 2006 is Rs.1.69 Lakhs. Further no interest during the year has been paid or is payable under the terms of the MSMED Act, 2006.

NOTE 23 : CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

Secured

From Banks

State Bank of India (WCTL) (refer note no. 18.1)	1,500.00	1,200.00
Punjab National Bank Shamli (SEFASU Loan) (refer note no. 23.2)	81.06	486.00
District Co-operative Bank Ghaziabad (SEFASU Loan) (refer note no. 23.3)	53.88	132.66
Punjab National Bank Shamli (Short Term Demand Loan) (refer note no. 23.4)	684.51	715.84
District Co-operative Bank Ghaziabad (SOFT Loan) (refer note no. 18.2)	1,016.60	-
Interest accrued but not due	100.95	-
Sub Total	3,437.00	2,534.50

Others

Unclaimed Dividends	-	-
Earnest Money and Security Deposits	108.19	104.20
Total	3,545.19	2,638.70

Note 23.1 : There are no amounts as at the end of the year which are due and outstanding to be credited to the investors education and Protection Fund.

Note 23.2 : SEFASU Loan from PNB, Shamli Secured against FDR of Rs. 857.59 Lakhs and Hypothecation of Current Assets of finished and semi-finished stock of Sugar, Molasses, Raw materials & Stores and also first parri passu charge on the fixed assets of the Company Unit at Shamli.

Note 23.3 : SEFASU Loan from DCB, Ghaziabad secured against FDR of Rs. 152.88 Lakhs and also residual charge on fixed assets.

Note 23.4 : Short Term Demand Loan From PNB, Shamli secured against FDR of Rs.776.52 Lakhs.

NOTE 24 : OTHER CURRENT LIABILITIES

Deferred Revenue arising from Government Grant related to Assets	244.23	-
Deferred Revenue arising from Government Grant related to Income	0.33	-
Advance Received from customer bearing Interest	-	200.00
Other payables	3,635.82	1,731.33
Total	3,880.38	1,931.33

Note 24.1 : Advance from customer is interest bearing subject to fulfillment of business obligation.

Note 24.2 : Other payable includes advance from customer, statutory dues and other liabilities.

**NOTES TO THE FINANCIAL STATEMENTS**

For The Year Ended March 31, 2019

Particulars	As at March 31, 2019 Rs. in Lakhs	As at March 31, 2018 Rs. in Lakhs
NOTE 25 : CURRENT PROVISIONS		
Provision for employee benefits		
- Leave encasement	45.53	29.23
Others		
- Expenses	32.88	64.67
Total	78.41	93.90

Particulars	For the Year ended 31st March, 2019 Rs. in Lakhs	For the Year ended 31st March, 2018 Rs. in Lakhs
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NOTE 26 : REVENUE FROM OPERATIONS

Sale of Products (includes excise duty) (refer note 26.2)	36,724.42	39,788.92
Other Operating Revenues	523.89	56.95
Revenue from Operations	37,248.31	39,845.87

Note 26.1 : Sale of Products

Sale of Sugar	32,627.50	35,198.76
Sale of Molasses	0.40	673.53
Sale of Bagasse	168.53	416.24
Sale of Press Mud	14.21	60.53
Sale of Distillery products	3,900.45	3,432.99
Sale of Bio – Compost	13.33	6.87
	36,724.42	39,788.92

Note 26.2 : Previous year Sale of Products includes Excise Duty (from 01.04.2017 to 30.06.2017)**Note 26.3 : Other Operating Revenues**

Sale of Scrap	119.78	56.95
Subsidy on Cane Price relating to previous year from State Government	404.11	
	523.89	56.95

Note 26.4 : Turn over includes inter-unit sales Rs. NIL. (Previous year Rs. 420.01 Lakhs).**NOTE 27 : OTHER INCOME**

Interest income	105.76	135.61
Profit on sale of Fixed Assets/Stores	-	2.04
Refund of excise duty/sales tax paid in earlier years	-	-
Other Non – Operating Income	6.40	4.27
Other Income	112.16	141.92

Note 27.1 : Tax deducted at source on Interest income Rs. 9.88 Lakhs (Previous year Rs. 12.74 Lakhs)

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SIR SHADI LAL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended March 31, 2019

Particulars	For the Year ended 31st March, 2019 Rs. in Lakhs	For the Year ended 31st March, 2018 Rs. in Lakhs
NOTE 28 : COST OF MATERIALS CONSUMED		
Raw Materials at Commencement	82.42	171.58
Add : Purchases during the year	33,836.02	38,122.43
	33,918.44	38,294.01
Less : At Close	114.62	82.42
Raw Materials consumed	33,803.82	38,211.59

Purchase includes inter unit Rs. NIL (Previous year Rs. 380.07 Lakhs).

Note 28.1 : Particulars of Materials Consumed

	Quantity Qtls. in Lakhs		Quantity Qtls. in Lakhs	
a) Sugarcane (100% indigenous)	101.63	33,803.82	114.33	37,714.94
b) Molasses (100% indigenous)	-	-	0.70	436.00
c) Press Mud (100 % indigenous)	-	-	0.32	60.65
		33,803.82		38,211.59

Note 28.2 : The Sugar & Distillery Unit is working under single license w.e.f. 27.05.2017.

Note 29 : DECREASE / (INCREASE) IN INVENTORIES OF FINISHED GOODS AND WORK -IN-PROGRESS

Stocks at commencement :

Work-in-Progress	628.93	515.74
Finished Goods	18,613.35	14,423.22
	19,242.28	14,938.96

Stocks at Close :

Work-in-Progress	971.57	628.93
Finished Goods	20,216.16	18,613.35
	21,187.73	19,242.28

Add / (Less) : Impact of excise duty on finished goods

Net Decrease / (Increase)

Details of Work in Progress

Sugar	970.01	622.98
Alcohol	1.56	5.95
	971.57	628.93

Details of Finished Goods

Sugar	19,453.16	18,123.12
Molasses	229.78	36.13
Bagasse	162.34	178.08
Press Mud	49.09	25.29
Alcohol	243.97	200.41
Bio-Compost	77.82	50.32
	20,216.16	18,613.35

**NOTES TO THE FINANCIAL STATEMENTS**

For The Year Ended March 31, 2019

Particulars	For the Year ended 31st March, 2019 Rs. in Lakhs	For the Year ended 31st March, 2018 Rs. in Lakhs
NOTE 30 : EXCISE DUTY ON SALE OF PRODUCTS		
Sugar		
Excise duty on Sugar	-	186.21
Cess on Sugar	-	325.22
Molasses		
Excise duty on molasses	-	80.58
Administrative charges on molasses	-	15.34
Distillery Products		
Excise duty on Distillery products	-	82.38
	<u>-</u>	<u>689.73</u>

Note 30.1 : Excise duty on sale of products for the year ended march 31, 2018 of three months (from 01.04.2017 to 30.06.2017)

NOTE 31 : EMPLOYEE BENEFITS EXPENSE

Salaries & Wages	2,420.36	2,438.18
Payment under Voluntary Retirement Scheme	99.65	-
Bonus	72.18	77.93
Leave Wages paid/provided	132.00	173.04
Contribution to Provident Fund and Family Pension Fund	229.75	239.99
Contribution to Approved Superannuation Fund for Managerial Personnel	4.72	4.76
Provision/Contribution to Approved Gratuity Fund	194.17	100.33
Staff Welfare	26.75	18.70
	<u>3,179.58</u>	<u>3,052.93</u>

Note 31.1 : Salary & Wages includes Rs. 53.95 Lakhs paid to Managerial Personnel (Previous year Rs. 54.29 Lakhs).

Note 31.2 : Provident Fund includes Rs. 3.77 Lakhs for Managerial Personnel (Previous year Rs. 3.80 Lakhs)

Note 31.3 : Contribution to Provident fund, Superannuation fund and Family Pension Fund charged off during the year are as under.

Employer contribution to Provident fund	93.13	90.96
Employer contribution to Family Pension fund	115.60	125.19
Employer contribution to Superannuation fund	4.72	4.76

The Company also provides for post employment defined benefit in the form of gratuity and leave liability. The Employee's Gratuity Scheme is managed by Life Insurance Corporation of India defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit Method at each Balance sheet date, which works to more by Rs. 937.02 Lakhs as compared to Gratuity Scheme managed by the Life Insurance Corporation of India. The difference has been fully provided in the books of Company.

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SIR SHADI LAL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended March 31, 2019

Particulars	For the Year ended 31st March, 2019 Rs. in Lakhs	For the Year ended 31st March, 2018 Rs. in Lakhs
Note 31.4: The details provided by Actuary in respect of Gratuity and Leave liability are as under :		
A KEY ASSUMPTIONS		
Mortality Table	IAL 2012-14 Ultimate	IAL 2006-08 Ultimate
Attrition Rate	05.00 % p.a.	05.00 % p.a.
Imputed Rate of Interest (D)	07.60 % p.a.	07.55 % p.a.
Imputed Rate of Interest (IC)	07.55 % p.a.	07.20 % p.a.
Salary Rise	08.00 % p.a.	08.00 % p.a.
Return on Plan Assets	07.55 % p.a.	07.20 % p.a.
Remaining Working Life	12.13 Years	12.39 Years
B GRATUITY LIABILITY		
1. CHANGES IN PRESENT VALUE OF OBLIGATIONS		
Present value of obligation at the beginning of the year	1,662.09	1,255.79
Interest Cost	117.79	86.44
Current Service Cost	69.40	69.99
Benefit Paid	(203.78)	(110.44)
Actuarial Gain/Loss on obligation	(12.76)	360.30
Present value of obligation as on 31st March	1,632.74	1,662.08
2. CHANGES IN THE PRESENT VALUE OF PLAN ASSETS		
Fair value of Plan Assets at the beginning of the IVP	827.37	808.76
Expected Return on Plan Assets	55.40	56.82
Contribution	16.71	71.32
Benefit Paid	(203.78)	(110.44)
Actuarial Gain/Loss on Plan Assets	0.02	0.90
Fair value of plan Asset at 31st March	695.72	827.36
3. REMEASUREMENTS-OTHER COMPREHENSIVE INCOME (OCI)		
Return on Plan Assets (excluding amounts included in Net Interest Expenses)	0.02	0.90
Actuarial (gain)/Loss arising from Experience Adjustment	(8.31)	137.83
Difference in Present Value of Obligations	(4.45)	222.47
Component of Defined of Benefit Costs recognised in OCI	(12.78)	359.40
4. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS		
Current Service Cost	69.40	69.99
Net Interest Cost	62.39	29.62
Expenses Recognised in the statement of Profit & Loss	131.79	99.61
5. CATEGORY WISE PLAN ASSETS		
Fund at the end of I.V.P. At LIC of India	695.72	827.37

NOTE :- To match the figures with Actuarial liability as on 31.3.2019 amount of Rs.62.38 Lakhs has been charged to statement of Profit & Loss (Previous year charged to statement of Profit & loss Rs.0.72 Lakhs).

**NOTES TO THE FINANCIAL STATEMENTS****For The Year Ended March 31, 2019**

Particulars	For the Year ended 31st March, 2019 Rs. in Lakhs	For the Year ended 31st March, 2018 Rs. in Lakhs
6. AMOUNT TO BE RECOGNISED IN THE BALANCE SHEET		
Present value of obligation at the end of the I.V.P.	1,632.74	1,662.09
Fair value of Plan Assets at the end of the I.V.P.	695.72	827.37
Funded Status	(937.02)	(834.72)
Net Liability arising from Defined Benefit obligation	937.02	834.72
C LEAVE LIABILITY		
1. PRESENT VALUE OF OBLIGATION AT THE BEGINNING OF THE YEAR	151.56	107.82
Interest Cost	7.11	3.11
Current Service Cost	98.47	103.56
Benefit Paid	(114.67)	(129.28)
Actuarial Gain/Loss	23.54	66.35
Present value of obligation long term as on 31st March,	120.48	122.33
Present value of obligation short term as on 31st March,	45.53	29.23
Net Liability recognized in Balance Sheet as on 31st March	166.01	151.56
2. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS		
Current Service Cost	98.47	103.56
Interest Cost	7.11	3.11
Actuarial (Gain)/Loss recognized in the I.V.P.	23.54	66.35
Expenses Recognized in the statement of Profit & Loss	129.13	173.02
Termination Benefits – Voluntary Retirement Scheme		

NOTE :- To match the figures with Actuarial liability as on 31.3.2019 amount of Rs. 2.87 Lakhs has been charged to statement of Profit & Loss. (Previous charged to Statement of Profit and Loss Account Rs. 0.02 Lakhs)

Note No. 31.5

Sensitivity	As at 31st 2019 (Rs. In Lakhs)	As at 31st 2018 (Rs. In Lakhs)
Under based scenario	1632.74	1662.09
Salary escalation (up by 1%)	1726.47	1759.35
Salary escalation (down by 1%)	1546.46	1572.68
Withdrawal rates (up by 1%)	1631.14	1660.28
Withdrawal rates (down by 1%)	1634.52	1663.88
Discount rates (up by 1%)	1546.92	1573.11
Discount rates (down by 1%)	1727.76	1760.74

This is a defined benefit plan and statutory liability of the Company. The Company has to pay the Gratuity to the employees as per the provisions of The Payment of Gratuity Act, 1972 irrespective of the availability of the funds with the Gratuity Fund.

The Gratuity Liability is computed on actuarial valuation basis done at year end using the Project Unit Credit Method is provided for in the books of account and is based on a detailed working done by a certified Actuary. Past service cost is recognised immediately to the extent that the benefits are already vested.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Company manages Gratuity obligation through Trust. Company arranges the fund based on the actuarial valuation and requirement of the Trust.

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2018-19.

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SIR SHADI LAL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended March 31, 2019

These gratuity plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk. The Company remains committed to fund all gratuity payments falling due and shall strive to gradually reduce the deficit in funding of its obligation in the coming years.

The Company expects to contribute Rs. 195.09 Lakhs to the defined benefit plan relating to gratuity during the next financial year.

The weighted average duration of the defined gratuity obligation as at 31 March 2019 is 6.23 years (31 March 2018, 6.4 years)

The expected maturity analysis of un-discounted defined benefit obligation as at 31 March 2019 is as follows :

	(Rs. in Lakhs)				
	Less than a year	between 1-4 years	between 4-9 years	Over 9 years	Total
Defined benefit obligation (Gratuity)	195.09	810.35	937.72	786.03	2729.19

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Particulars	For the Year ended 31st March, 2019 Rs. in Lakhs	For the Year ended 31st March, 2018 Rs. in Lakhs
NOTE 32 : FINANCE COST		
Interest Expenses	1,993.39	1,845.20
Interest on Loan with below market rate of interest	70.42	-
Other Borrowing cost	45.84	29.77
	2,109.65	1,874.97

Note 32.1 : Interest on Loan with below market rate of interest net off Government Grant Rs. 30.53 Lakhs

Note 32.2 : Interest Includes Rs. 196.51 Lakhs paid to Managerial Personnel (Previous Year Rs.123.73 Lakhs)

NOTE 33 : DEPRECIATION AND AMORTIZATION EXPENSES

Depreciation on Tangible Assets	490.69	392.49
Depreciation on Intangible Assets	5.47	5.47
	496.16	397.96

NOTE 34. : OTHER EXPENSES

(A) Manufacturing / Operating Expenses

Store consumed	438.57	436.93
Power and Fuel	432.78	423.93
Packing & Forwarding	583.00	520.10
Cane & Road Development	22.59	36.85
Repairs :		
Plant and machinery	739.35	727.82
Buildings	60.31	50.96
Others	28.89	32.64
	828.55	811.42
	2,305.49	2,229.23



NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended March 31, 2019

Particulars	For the Year ended 31st March, 2019 Rs. in Lakhs	For the Year ended 31st March, 2018 Rs. in Lakhs
(B) Administration Expenses		
Rent	43.56	39.60
Rates & Taxes	53.12	48.47
Insurance	20.71	23.35
Travelling & Vehicles	72.01	69.06
Legal & Professional	85.84	73.96
Postage, Telegram and Telephones	9.78	9.58
Stationery & Printing	19.38	19.54
Bank Charges	3.68	6.04
Subscription and Advertisement	11.71	12.52
General Charges 1	94.81	69.80
Directors Fee	9.20	13.00
Directors Travelling	2.91	3.63
Charity & Donations	0.45	0.42
Bad Debts & Claims written off	38.71	321.80
Fines & Penalties	1.97	3.20
Audit Fee	3.30	3.30
Loss on Sale & Disposal of :		
Fixed Assets	13.35	19.40
Other Assets	-	1.55
Excise Duty/ Export Fees	120.22	102.63
	604.71	840.85
(C) Transportation and Selling Expenses		
Transportation & Selling	189.19	142.80
Commission on Sales	109.37	98.67
Rebate on sales	-	-
Commitment charges paid under contractual agreement	9.55	24.60
	308.11	266.07
Total Other Expenses (A + B + C)	3,218.31	3,336.15

34.1 Particulars of Spare Parts and components :

	% of total consumption		% of total consumption	
i) Indigenous	100	327.58	100	271.75
ii) Imported	NIL	NIL	NIL	NIL

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SIR SHADI LAL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended March 31, 2019

Particulars	For the Year ended 31st March, 2019 Rs. in Lakhs	For the Year ended 31st March, 2018 Rs. in Lakhs
34.2 Auditors' Remuneration :		
(I) Statutory Auditors		
a) For Statutory Audit	3.30	3.30
b) For Quarterly Audit Review Fees	0.80	0.80
	4.10	4.10
(II) Cost Auditor		
a) For cost Audit	0.50	0.50
b) Out of pocket Expenses(Travelling Expenses)	0.23	0.32
	0.73	0.82
(III) Tax Audit & Certificate		
For Tax Audit Fees	0.75	0.75
For Certification Fees	0.20	0.80
	0.95	1.55
34.3 Other Information :		
a) Value or imports calculated on CIF basis during the year	NIL	NIL
b) Expenditure in Foreign Currency	NIL	NIL
c) Amount remitted during the year in Foreign Exchange on account of Dividend	NIL	NIL
d) Earning in Foreign Currency	NIL	NIL

NOTE 35: CONTINGENT LIABILITIES NOT PROVIDED FOR :

a) In respect of Statutory Liabilities :

i) Subjudice, Sales tax and Entry Tax including interest thereon	13.26	13.26
ii) Subjudice, Excise Duty and penalty thereon	1.30	106.94
iii) Subjudice, In respect of alleged claim of Stamping fee on vats	55.42	55.42
iv) Subjudice, In respect of fixactation of Ethanol price	41.63	-

b) In respect of Other Liabilities :

i) Alleged claim of interest on arrears of late payment of cane price	73.09	73.09
ii) In respect of labour cases in dispute, the amount of which is not ascertainable.		
iii) Bank Guarantees for Rs. 285.92 Lakhs in favor of Oil Companies and Government Department (Previous year Rs. 400.44 Lakhs)		
c) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. NIL(Previous year Rs. 1580.40 Lakhs against which advance have been paid Rs. 443.66 Lakhs)		

NOTE :- The above amount in-respect of contingent liabilities represents best estimates arrived at on the basis of available information as the actual liability can not be predicted accurately and Company has relied upon expert legal advise against the such disputed liabilities.



NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended March 31, 2019

- 36 The interest aggregating to Rs.607.19 Lakhs on delayed payment of Sugar cane price for Sugar seasons 2011-12 to 2014-15 is due for payment in view of the Supreme Court's order no.35113/2017 dated 23.04.2018. The company is contemplating to file a review petition against above mentioned order of Supreme Court. Therefore, no provision has been made for the above mentioned liability of Rs. 607.19 Lakhs and also for Rs. 5361.83 Lakhs relating to the subsequent financial years 2015-16 to 2018-19; to that extent the accounts are not maintained on accrual basis.
- 37 The Central Govt. Ministry of Law & Justice, have issued Notification No.6/2016 dated 1.1.2016 regarding payment of bonus (Amendment Act 2015) in terms of which the ceiling for payment of bonus has been revised w.e.f. 1st April, 2014. Certain High Courts have stayed the implementation of revision of Bonus from retrospective effect. ISMA has also filed writ against implementation of the order with regard to its retrospective effect from 1st April, 2014 and the matter is subjudice. Therefore the Company has not made provision for this liability for the year ending on 31.03.2015.
- 38 In view of current year loss and accumulated losses, and uncertainty of future profitability the Board have decided not to make any further provision for Deferred Tax Assets, though not in line with India Accounting Standard-12.
- 39 In absence of balance confirmations from certain creditors, included in Trade payable and other payable, Other current liabilities, other non-current & current financial assets, Trade Receivables, the Auditors have relied upon the figures appearing in the books of the Company.
- 40 Income Tax assessments regular u/s 143(3) have been completed upto the Financial year 2015-2016 (Assessment Year 2016-2017). The Company has gone in appeal against tax demand of certain assessment orders. The Company has been legally advised that in view of expected reliefs, no further provision for income tax liability is required.
- 41 Post the applicability of Goods and Service Tax (GST) w.e.f. 1st July, 2017 revenue from operations are disclosed net of GST.

As per our report of even date
for M.SHARAN GUPTA & CO.
Chartered Accountants
Firm Registration No. 06430N

M.S. GUPTA
Proprietor
Membership No. 084721
Place : New Delhi
Date : 25th May, 2019

A.K. JAIN
Company Secretary
(M. No. FCS5826)

VIVEK VISWANATHAN
Joint Managing Director
(DIN : 00141053)

RAHUL LAL
Joint Managing Director
(DIN : 06575738)

RAJAT LAL
Managing Director
(DIN : 00112489)

Directors :

Onke Aggarwal (DIN : 00141124)
Hemantpat Singhania (DIN : 00141096)
R.C. Sharma (DIN : 00023274)
Radhika Viswanathan
Hoon (DIN : 06436444)
Ajit Hoon (DIN : 00540300)

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SIR SHADI LAL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended March 31, 2019

Note No. 42. RELATED PARTIES' DISCLOSURES :

I	Relationship	Designation
A	Key Management Personnel : (Directors)	
1.	Mr. Rajat Lal	Managing Director
2.	Mr. Vivek Viswanathan	Joint Managing Director
3.	Mr. Rahul Lal	Executive Director
B	Key Management Personnel : (Other than Directors)	
1.	Mr. S.K. Jadia	Chief Financial Officer
2.	Mr. Alok Mittal	Chief Financial Officer
3.	Mr. A. K. Jain	Company Secretary
C	Relatives of Key Management Personnel : (Directors)	Relation with Key Management Personnel
1.	Smt. Sudha Singhania *	Sister of Shri Rajat Lal
2.	Smt. Poonam Lal	Wife of Shri Rajat Lal
3.	Ms. Pooja Lal	Daughter of Shri Rajat Lal
4.	Smt. Radhika Viswanathan Hoon	Sister of Shri Vivek Viswanathan
D	Relatives of Key Management Personnel : (Other than Directors)	
1.	Smt. Sanjana Jadia	Wife of Shri S.K. Jadia
2.	Mr. Somesh Jadia	Son of Shri S.K. Jadia
3.	Ms. Shriya Jadia	Daughter of Shri S.K. Jadia
4.	Mrs. Nidhi Mittal	Wife of Shri Alok Mittal
5.	Mrs. Daizy Jain	Wife of Shri A.K.Jain
6.	Ms. Aditi Jain	Daughter of Shri A.K. Jain
7.	Ms. Avni Jain	Daughter of Shri A.K. Jain

Note :- Sh. S.K. Jadia who was working as Chief Financial Officer of the Company, resigned from the services on 16.09.2018 and in his place Sh. Alok Mittal was Appointed as Chief Financial Officer of the Company w.e.f. 02.01.2019. Mr. Alok Mittal resigned from the services of the company on 25.02.2019.

*Mrs. Sudha Singhania expired on 03.04.2018

II Transactions of Expense/Income carried out during the year :

	Remuneration Rs. in Lakhs	Directors' Fee Rs. in Lakhs	Rent Paid Rs. in Lakhs	Interest on Deposits/Loans Rs. in Lakhs	Total Rs. in Lakhs
A Key Management	62.44	–	23.99	196.51	282.94
Personnel (Directors)	(62.85)	(–)	(23.99)	(123.73)	(210.57)
B Key Management Personnel	31.83	–	–	–	31.83
(Other than Directors)	(43.74)	(–)	(–)	(–)	(43.74)
C Relatives of Key Management	–	1.80	–	0.22	2.02
Personnel (Directors)	(–)	(1.80)	(–)	(1.71)	(3.51)
TOTAL A+B+C	94.27	1.80	23.99	196.73	316.79
	(106.59)	(1.80)	(23.99)	(125.44)	(257.82)

III Transactions of Loans and Deposits during the year :

	Opening Balance As on 01.04.2018 Rs. in Lakhs	Received Rs. in Lakhs	Repaid Rs. in Lakhs	Closing Balance As on 31.03.2019 Rs. in Lakhs
1 Loans				
– Key Management Personnel (Directors)	1,233.74	2,038.11	1,090.92	2,180.93
	(1,337.53)	(155.24)	(259.03)	(1,233.74)
– Relatives of Key Management Personnel	18.58	0.22	18.80	-
(Directors)	(17.64)	(1.71)	(0.77)	(18.58)

**NOTES TO THE FINANCIAL STATEMENTS****For The Year Ended March 31, 2019****Note No. 43. SEGMENT REPORTING :**

The Company's operation predominantly relates to manufacture and sale of Sugar and Alcohol products. Accordingly the Sugar and Alcohol products primarily comprises the basis for primary and secondary for segment information :

SEGMENT INFORMATION – BUSINESS SEGMENT :

Particulars	Sugar Amount (Rs. in Lakhs)	Alcohol Amount (Rs. in Lakhs)	Total Amount (Rs. in Lakhs)
-Segment Revenue including Excise Duty	33,324.52	3,923.79	37,248.31
External Revenue	(35,925.80)	(3,442.70)	(39,368.50)
Inter-segment	(477.37)	(-)	(477.37)
Total	33,324.52	3,923.79	37,248.31
	(36,403.17)	(3,442.70)	(39,845.87)
– Segment Result before interest & tax and exceptional item - Profit/Loss(-)	(-)3,605.15	2,646.15	(-)959.00
	(-)1,323.27	(1,537.02)	(213.75)
Less : Unallocated expenses (Net of Unallocable Income)			432.95
			(723.75)
Less : Finance Charge			2,109.65
			(1,874.97)
Profit/(Loss) (-) before tax & exceptional item			(-)3,501.60
			(-)2,384.97
Add : Exceptional Item			(-)
Profit/(Loss) (-) before tax			(-)3,501.60
			(-)2,384.97
– Segment Assets	26,802.23	4,055.75	30,857.98
	(23,195.55)	(3,453.29)	(26,648.84)
Unallocated Assets			8,508.94
			(7,012.71)
Total Assets			39,366.92
			(33,661.55)
– Segment Liabilities	45,027.88	295.94	45,323.82
	(38,490.82)	(180.98)	(38,671.80)
Unallocated Liabilities			3,963.38
			(1,421.21)
Total Liabilities			49,287.20
			(40,093.01)
Segment Capital Expenditure	2,286.72	885.38	3,172.10
	(85.78)	(33.01)	(118.79)
Unallocated Capital Expenditure			44.35
			(10.59)
Total Capital Expenditure			3,216.45
			(129.38)
–Segment Depreciation	223.63	262.14	485.77
	(136.63)	(255.90)	(392.53)
Unallocated Depreciation			10.39
			(5.43)
Total Depreciation			496.16
			(397.96)

43.1 The Company caters only Indian markets.

43.2 Operating segments have been identified on the basis of the nature of products and have been identified as per the quantitative criteria specified in the Ind AS.

43.3 The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

43.4 Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets/liabilities.

43.5 Unallocated Assets include Deferred Tax Assets.

43.6 Figures in () denote Previous year figures.

As per our report of even date
for M.SHARAN GUPTA & CO.
Chartered Accountants
Firm Registration No. 06430N

M.S. GUPTA
Proprietor
Membership No. 084721
Place : New Delhi
Date : 25th May, 2019

A.K. JAIN
Company Secretary
(M. No. FCS5826)

VIVEK VISWANATHAN
Joint Managing Director
(DIN : 00141053)

RAHUL LAL
Joint Managing Director
(DIN : 06575738)

RAJAT LAL
Managing Director
(DIN : 00112489)

Directors :

Onke Aggarwal (DIN : 00141124)
Hemantpat Singhania (DIN : 00141096)
R.C. Sharma (DIN : 00023274)
Radhika Viswanathan
Hoon (DIN : 06436444)
Ajit Hoon (DIN : 00540300)

CONTD.....



SIR SHADI LAL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended March 31, 2019

NOTE NO.44. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

A Credit risk :-

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. Company is exposed to credit risk from trade receivables and deposits with banks. To manage this, Company periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit to customers. Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. Concentrations of credit risk are limited as a result of the Company's large and diverse customer base. Company has also taken advances and security deposits from its customers/agents, which mitigate the credit risk to an extent. The ageing of trade receivable is given below:

Particulars	Up to 6 months	More than 6 months	Total Amount (Rs. in Lakhs)
As at 31st March, 2019	591.19	65.61	656.80
As at 31st March, 2018	494.31	41.77	536.08

Following table summaries the change in loss allowances measured using life time expected credit loss model. No significant changes in the estimation techniques or assumption were made during the period.

Particulars	Rs. in Lakhs
As at April 01, 2018	7.56
Provided during the year	-
Reversal of provision	-
Amounts written off	-
As at March 31, 2019	7.56

Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which term deposits are maintained. Term deposits are maintained with banks with which Company has also availed borrowings.

B Liquidity risk :-

Liquidity risk is the risk that a company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs. The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

(Rs. in Lakhs)

Particulars	As at March 31, 2019				
	Carrying amount	On demand	0-12 months	More than 12 months	Total
Borrowings	21,115.74	10,642.92	3,336.05	7,136.77	21,115.74
Trade Payables	21,818.82	21,818.82	-	-	21,818.82
Other financial liabilities	4,089.52	-	4,089.52	-	4,089.52
TOTAL	47,024.08	32,461.74	7,425.57	7,136.77	47,024.08

(Rs. in Lakhs)

Particulars	As at March 31, 2018				
	Carrying amount	On demand	0-12 months	More than 12 months	Total
Borrowings	16,011.14	10,390.72	2,534.50	3,085.92	16,011.14
Trade Payables	21,090.11	21,090.11	-	-	21,090.11
Other financial liabilities	2,035.53	-	2,035.53	-	2,035.53
TOTAL	39,136.78	31,480.83	4,570.03	3,085.92	39,136.78



NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended March 31, 2019

C. Fair value of financial assets and financial liabilities

Financial instruments measured at fair value can be divided into three levels for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Following methods and assumptions are used to estimate the fair values:-

- Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities and short-term borrowings carried at amortised cost is not materially different from its carrying cost largely due to short-term maturities of these financial assets and liabilities.
 - Financial instruments with fixed and variable interest rate fall within level 2 of the fair value hierarchy and are evaluated by Company based on parameters such as interest rate, credit rating or assessed credit worthiness.
 - Non-listed shares and other securities fall within level 3 of the fair value hierarchy. Valuation is based on the net asset method.
 - Fair value of the borrowing items fall within level 2 of the fair value hierarchy and is calculated on the basis of discounted future cash flows.
 - Ind AS 101 allow Company to fair value Property, Plant and Equipment on transition. Company has valued property, plant and equipment as deemed cost.
- i) Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements:

(Rs. in Lakhs)

Particulars	As at March 31, 2019			
	Carrying amount	Level 1	Level 2	Level 3
Financial assets at amortised cost				
Trade receivables	656.80	-	-	-
Cash and cash equivalents	634.89	-	-	-
Bank balances	968.46	-	-	-
Loan-current	-	-	-	-
Other financial assets- non current	432.48	-	432.48	-
Total	2692.63	-	432.48	-
Financial Liabilities at amortised cost				
Borrowings - non current	7136.77	-	7136.77	-
Borrowings - current	13978.97	-	-	-
Trade Payables	21818.82	-	-	-
Other financial liabilities- current	4089.51	-	-	-
Total	47024.07	-	7136.77	-

ii)

(Rs. in Lakhs)

Particulars	As at March 31, 2018			
	Carrying amount	Level 1	Level 2	Level 3
Financial assets at amortised cost				
Trade receivables	536.08	-	-	-
Cash and cash equivalents	158.11	-	-	-
Bank balances	1857.13	-	-	-
Loan-current	-	-	-	-
Other financial assets- non current	368.70	-	368.70	-
Total	2920.02	-	368.70	-
Financial Liabilities at amortised cost				
Borrowings - non current	3085.92	-	3085.92	-
Borrowings - current	12925.23	-	-	-
Trade Payables	21090.11	-	-	-
Other financial liabilities- current	2035.53	-	-	-
Total	39136.79	-	3085.92	-

Note :- During the year ended 31st March 2019 & 31st March 2018 there is no transfer between the Level 1 and Level 2.

CONTD.....

**NOTES TO THE FINANCIAL STATEMENTS****For The Year Ended March 31, 2019****NOTE.45. MARKET RISK**

The Company is exposed to the risk of movements in interest rates, inventory price that affects its assets, liabilities and future transactions.

i) Interest rate risk

Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk. The Company's borrowings are linked to base rates of the banks. With all other variables held constant, the following table demonstrates the impact of change in interest rate on borrowing cost on floating rate portion of loans.

(Rs.in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Total debt as at the end of the year	21115.74	16011.15
Average annual utilisation of debts at floating rate of interest (%)	95%	96%
Average availment of borrowings at floating rate of interest	8461.99	8938.40
Impact of 1% interest rate variation	84.62	89.38

ii) Inventory price risk

The Company is exposed to the movement in price of principal finished product i.e. Sugar. Prices of the Sugar cane is fixed by Government. Generally, Sugar production is carried out during Sugar cane harvesting period from November to April. Sugar is sold throughout the year which exposes the Sugar inventory to the movement in the price. Company monitors the Sugar prices on daily basis and formulates the sales strategy to achieve maximum realisation. The sensitivity analysis of the change in Sugar price on the inventory as at year end, other factors remaining constant in given in table below:

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Sugar inventory held (Qtl. In Lakhs)	6.61	6.38
Impact of Sugar price variation by Rs. 100/Qtl.	661.00	638.00

Note No. 46. The net worth of the company has since been eroded on account of operational losses, incurred by the company upto the F.Y. 2014-15, which was basically on account of low recovery of Sugar from Sugarcane. Whereas on account of improvement in the Sugar manufacturing unit, during the season 2015-16, the recovery has substantially improved with the result that the company has earned profit during the year 2016-17. As such the company will remain as a going concern and is likely to pay its liabilities including cane dues from expected generation of cash flow. However the accumulated losses of the company as at 31.03.2019 were Rs. 10423.47 Lakhs as against the paid up capital of Rs. 525.00 Lakhs.

Note No.47. Certain previous year figures have been rearranged to make them comparable with current figures. Figures have been rounded off nearest to Lakhs.



NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended March 31, 2019

NOTE NO. 48: STATEMENT OF CASH FLOW

	For the Year ended 31st March, 2019 (Rs. in Lakhs)	For the Year ended 31st March, 2018 (Rs. in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax and exceptional item as per Profit & Loss Account	(3,501.60)	(2,384.97)
Adjustments for :		
Depreciation	496.16	397.96
Interest (Net)	1,958.04	1,709.59
Bad debts & claims written off (Net)	38.71	321.80
(Profit)/Loss on sale & Disposal of Fixed Assets (Net)	13.35	17.36
Unclaimed Credit Balances Written Back	(0.31)	(0.45)
Stores Written off	-	1.55
Operating Profit before working capital changes	(995.65)	62.84
Adjustment for :		
Trade and other receivables	(702.63)	123.93
Inventories	(2,283.08)	(4,214.59)
Trade Payables	3,788.95	8,030.42
Cash generated from operations	(192.41)	4,002.60
Interest paid	(1,292.08)	(1,063.00)
Direct tax paid (Net)	8.98	9.82
Net Cash from operating activities	(1,475.51)	2,949.42
B. CASH FROM INVESTING ACTIVITIES :		
Purchase of fixed assets (including Intangible Assets)	(3,223.87)	(167.14)
Capital Advance	443.66	(442.01)
Sale of fixed assets	2.45	3.84
Interest received	96.23	224.48
Net Cash used in investing activities	(2,681.53)	(380.83)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from fixed Deposit/Directors Loan	928.61	(102.85)
Proceeds from Term Loan/Repayment of Finance Liability	4,375.98	(1,620.07)
Interest paid	(670.77)	(782.20)
Net Cash used in Financing Activities	4,633.82	(2,505.12)
Net increase in Cash and Cash equivalents	476.78	63.47
Opening balance of Cash and Cash equivalents	158.11	94.64
Closing balance of Cash and Cash equivalents	634.89	158.11

Note : Figures in () denote Cash Outgo

As per our report of even date
for M.SHARAN GUPTA & CO.
Chartered Accountants
Firm Registration No. 06430N

M.S. GUPTA
Proprietor
Membership No. 084721
Place : New Delhi
Date : 25th May, 2019

A.K. JAIN
Company Secretary
(M. No. FCS5826)

VIVEK VISWANATHAN
Joint Managing Director
(DIN : 00141053)

RAHUL LAL
Joint Managing Director
(DIN : 06575738)

RAJAT LAL
Managing Director
(DIN : 00112489)

Directors :

Onke Aggarwal (DIN : 00141124)
Hemantpat Singhania (DIN : 00141096)
R.C. Sharma (DIN : 00023274)
Radhika Viswanathan
Hoon (DIN : 06436444)
Ajit Hoon (DIN : 00540300)

**SIR SHADI LAL ENTERPRISES LIMITED****SIR SHADI LAL ENTERPRISES LIMITED**

CIN L51909DL1933PLC009509

Regd. Office : 4-A, Hansalaya, 15, Barakhamba Road, New Delhi-110 001

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act. 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules 2014]

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

1. Name :
 Address :
 Email Id :
 Signature: (, or failing him)

2. Name :
 Address :
 Email Id :
 Signature: (, or failing him)

3. Name :
 Address :
 Email Id :
 Signature: (, or failing him)

As my /our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 85th Annual General Meeting of the company, to be held on Monday, the 23rd day of September. 2019 at 11.00 am, at PHD House, 4/2 Siri Institutional Area, August Kranti Marg, Opposite Asian Game Village, New Delhi-110016 and at any adjournment thereof in respect of such as are indicated below:

Resolution No.	Business	Vote	
		For	Against
1.	Adoption of Financial Statements, Directors Reports and Auditors Reports		
2.	Re-appointment of Mr. Rahul Lal, Joint Managing Director, who retires by rotation, and being eligible, offers himself for re-appointment		
3.	Re-appointment of Mr. Rajat Lal, Managing Director, who retires by rotation, and being eligible, offers himself for re-appointment		
4.	Approval of Remuneration of Cost Auditors for FY 2019-20		
5.	Approval for re-appointment of Mr. Rajat Lal, as Managing Director		
6.	Approval for Change in Designation of Mr. Rahul Lal, as Joint Managing Director and increase in remuneration		
7.	Approval for appointment of Mr. Neeraj Gupta as Non Executive Professional Director		
8.	Approval for re-appointment of Mr. Onke Aggarwal, as Non Executive Independent Director		
9.	Approval for re-appointment of Mr. R. C. Sharma, as Non Executive Independent Director		
10.	Approval for re-appointment of Mr. Hemantpat Singhania, as Non Executive Independent Director		
11.	Approval of Related Party Transactions		

Signed this _____ day of _____ 2019

Signature of Shareholder

Signature of Proxy holder (s)

 Re. 1/-
 Revenue
 Stamp

Note :

1. Proxy

A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and such proxy need not be a Member of the company.

Deposit of proxy

Proxies in order to be effective, must be received at the registered office of the Company not later than 48 hours before the meeting or in the case of poll not less than 24 hours before the time appointed for the taking of the poll.

2. A person can act as a Proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member 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 shall not act as a proxy for any other person or shareholder.

3. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



SIR SHADI LAL ENTERPRISES LIMITED

CIN L51909DL1933PLC009509

Regd. Office : 4-A, Hansalaya, 15, Barakhamba Road, New Delhi-110001

ATTENDANCE SLIP

Folio No.	DP ID*	Client ID*	No. of Shares

* Applicable to Members holding shares in Electronic Form

I, _____ (Name of the Shareholder/Proxy) hereby record my presence at the 85th Annual General Meeting of the Company held on Monday, the 23rd September, 2019 at 11.00 a.m. at PHD House, 4/2 Siri Institutional Area, August Kranti Marg, Opposite Asian Games Village, New Delhi-110 016.

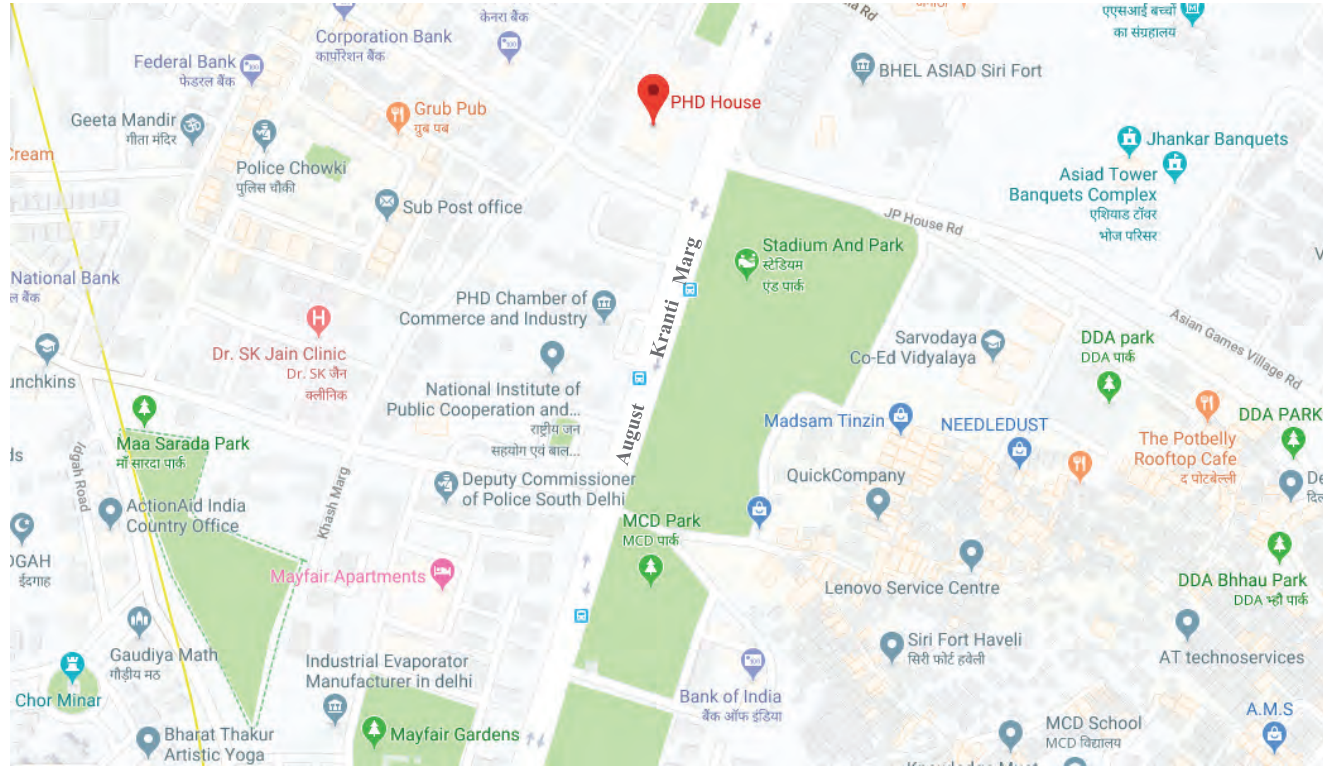
Note :

Signature of Shareholder/Proxyholder

1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.
2. Only shareholders of the company or their Proxies will be allowed to attend the meeting on production of the attendance slip duly completed and signed.



SIR SHADI LAL ENTERPRISES LIMITED



Address :

P.H.D. HOUSE

**4/2, Siri Institutional Area,
August Kranti Marg,
Opposite Asian Games Village,
New Delhi - 110 016**