



**DCM SHRIRAM**

Growing with trust



**ANNUAL REPORT 2020-21**

**DCM SHRIRAM LTD.**

# CONTENTS

Corporate Information	01
Chairman & Vice Chairman's Statement	02
Our Businesses	04
Financial Highlights	09
Our Vision & Values	10
Brief Profile of the Board of Directors of the Company	11
Senior Executive Team	12
Management Discussion and Analysis	13
Business Responsibility Report	21
Board's Report	29
Corporate Social Responsibility	42
Corporate Governance Report	53
Financial Statements	62
Notice	157

# CORPORATE INFORMATION

## Registered Office

DCM Shriram Ltd.  
CIN – L74899DL1989PLC034923  
2<sup>nd</sup> Floor (West Wing), World Mark-1  
Aerocity, New Delhi-110037  
Tel. No. : (91) 11-42100200  
Email : response@dcmshriram.com  
Website : www.dcmshriram.com

## Bankers

Punjab National Bank  
State Bank of India  
HDFC Bank Limited  
Standard Chartered Bank  
ICICI Bank Limited

## Statutory Auditors

M/s. Price Waterhouse Chartered Accountants LLP,  
Chartered Accountants,  
Gurugram (Haryana)

## Board of Directors

Mr. Ajay S. Shriram  
*Chairman & Senior Managing Director*

Mr. Vikram S. Shriram  
*Vice Chairman & Managing Director*

Mr. Ajit S. Shriram  
*Joint Managing Director*

Mr. K.K. Kaul  
*Whole Time Director*

Mr. K.K. Sharma  
*Whole Time Director (EHS)*

Mr. Pradeep Dinodia  
*Non-Executive Independent Director*

Mr. Vimal Bhandari  
*Non-Executive Independent Director*

Mr. Sunil Kant Munjal  
*Non-Executive Independent Director*

Ms. Ramni Nirula  
*Non-Executive Independent Director*

Mr. Pravesh Sharma  
*Non-Executive Independent Director*

Justice (Retd.) Vikramajit Sen  
*Non-Executive Independent Director*

Ms. Sarita Garg  
*LIC Nominee*

## Company Secretary

Mr. Sameet Gambhir

## Audit Committee

Mr. Pradeep Dinodia  
*Chairman*

Mr. Sunil Kant Munjal

Ms. Ramni Nirula

Mr. Pravesh Sharma

## Stock Exchanges where the Securities of the Company are Listed

National Stock Exchange of India Ltd.  
Exchange Plaza, C-1, Block-G,  
Bandra – Kurla Complex, Bandra (East),  
Mumbai-400051.

BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001.

(It is confirmed that annual listing fee for the financial year 2021-2022 has been paid by the Company to the above Stock Exchanges.)

# CMD/VCMD'S MESSAGE

Dear Friends,

We write this message at a time when India is overwhelmed by an unprecedented humanitarian crisis due to the spread Covid 19 virus. The second wave of the pandemic that began in March 21, has had a debilitating impact on many of our employees, customers, suppliers, local communities and their families. Their safety and well being is today our top most priority. The company is making every effort to ensure safe protocols are followed at the work place and necessary assistance is being provided to employees' and their families for their well-being.

Each one of us has a responsibility to go the extra mile and support the vulnerable and the needy. Our prayers go out to those families who have lost their loved ones.

In our message last year we had flagged the impact of the pandemic with the hope, that as lockdowns become less restrictive, economic growth will pick up and business will return to its normal pace. This indeed played out and despite many challenges; the company's performance during the financial year 2021 was satisfactory. Pro active measures and effective use of information technology ensured minimum business disruptions. The untiring efforts of our employees and

partners made this possible. We are grateful for their support.

Our Agri and related businesses were not impacted by lockdowns, with Sugar and Shriram Farm Solutions business delivering growth in volumes and profits. The Chemicals business was impacted by lower realisations and volume; however higher prices of PVC & Carbide (Vinyl Business) helped mitigate the impact. Fenesta business witnessed de-growth as operations were impacted in Q1 but recovered well during second half of 2021.

The Company's total revenues from operation stood at Rs.8,308 Crores in FY21 vs. Rs.7,767 Crores last year. Revenue of Sugar business was up by 34%, led by higher domestic and export volumes of Sugar and increased ethanol off take. Vinyl business registered a revenue growth of 32% driven by higher realizations from PVC. Shriram Farm Solutions registered a 13% increase in revenue. Chemicals business revenue was down by 26%.

Profit before depreciation, interest and tax, declined to Rs.1,244 Crores down 4% over last year. Net Profit for FY21 was down by 6% to Rs.673 Crores. The decline was primarily due to subdued business activity in

Q1 on account of countrywide lockdowns during the first wave of COVID-19. Despite the disruption, our businesses have shown resilience and agility during the pandemic. A significant achievement has been the reduction in working capital, as result our net debt declined from Rs. 1623 Crores in March 31, 2020 to Rs.180 Crore as on March 31, 2021. A steady financial performance and adequate liquidity has provided the company leeway to continue with its expansion plans across businesses. We believe that the Indian economy will return to a sustained growth path and investments in new capacities will provide adequate returns.

The financial year 2020-21 saw a decline in the country's GDP and it is too early to predict the full impact of the second wave of the pandemic on the Indian economy. We believe that with the learnings from last year, both the government and businesses will be able to handle the fallout more effectively. Business performance in the Q1 of financial year 2021-22 is expected to get impacted, given the large scale impact of the second wave of Covid-19.

During the year, as part of the CSR initiatives the Company actively worked towards Covid 19 related

From L to R: Mr. Ajay S. Shriram and Mr. Vikram S. Shriram

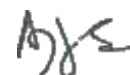
relief activities. This included contributions towards PM CARES funds and resource support in kind. Local authorities were provided with free sodium hypochlorite as a disinfectant as well as hand sanitizer. During the first quarter of 2021-22, six oxygen generation plants of 10m<sup>3</sup>/hr were installed at three district hospitals in Gujarat and UP and a 20m<sup>3</sup>/hr oxygen generation plant was set up at the CHC in UP, 115 oxygen concentrators have been provided to the Medical College in Kota , along with CHCs in UP and other locations. The four focus areas of CSR (health care, education, environment and rural development) identified by the company continue to make steady progress. In addition, the Company encourages employee volunteering, and their response in these difficult times has been heartening.

We would like to take this opportunity to thank all our stakeholders – members of the board, business associates, employees, suppliers, government authorities, lenders and shareholders – who have contributed to the growth of our company. With their cooperation, we are confident of delivering superior value to all stakeholders and earnestly hope and pray for their safety and well being.

With best wishes,



(Vikram S. Shriram)  
Vice Chairman & Managing Director



(Ajay S. Shriram)  
Chairman & Sr. Managing Director

# OUR BUSINESSES



## CHLORO-VINYL BUSINESSES:

- i. Chlor- Alkali: DCM Shriram's Chlor-Alkali (Chemicals) business comprises Caustic Soda (Lye and flakes), Chlorine and associated chemicals including Hydrochloric acid, Stable Bleaching powder, Aluminium Chloride, Compressed Hydrogen and Sodium Hypochlorite. The Company has two manufacturing facilities located at Kota (Rajasthan) and Bharuch (Gujarat) with full coal based

captive power. The company's caustic soda capacity at Bharuch is 1345 TPD and at Kota is 498 TPD.

- ii. Plastics Business: A highly integrated business, located at the Kota plant, it involves manufacturing of PVC resins and Calcium Carbide with captive production of Acetylene, Chlorine and Coal based power. Company's raw carbide capacity stands at 340 TPD and PVC capacity stands at 220 TPD

## SUGAR

This business comprises 4 plants in Central U.P with a total capacity of 38,000 TCD. These units have a total power cogeneration capacity of 141 MW and are also supported by 350 KLD of Distillery capacity and a 700 TPD refinery. The company has also commissioned a country liquor bottling line of 6400 cases per day.



## AGRI-INPUT BUSINESSES:

- I. Shriram Farm Solutions: This business provides a complete basket of Agri-inputs, viz. Hybrid seeds, Specialty plant nutrition, Crop care chemicals and other Value added inputs, through its wide distribution network. The business also provides high quality agronomy services aimed at increasing farmer productivity.
- ii. Bioseed: Bioseed business is present across the entire Seeds value chain, i.e. Research, Production, Processing, Extension activities and Marketing with established significant presence in India & Philippines. The Company is present in both Field and Vegetable Crops in India. In Philippines, the business is present primarily in Corn and Paddy.
- iii. Fertilizer: The Company operates the dual feed LNG / Naptha based Urea plant with a capacity of 3.79 lakh MT, at its integrated manufacturing facility at Kota.







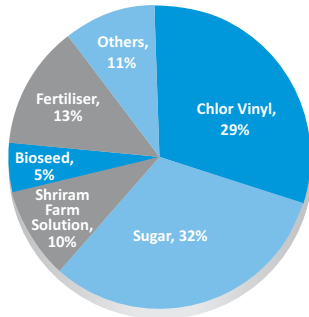
## OTHER BUSINESSES

- i. Fenesta Building Systems manufactures uPVC windows and door systems under the brand "Fenesta". The business also offers System Aluminum windows. Fenesta offers complete solutions in windows and doors starting from Design, Fabrication to Installation at the customer's site. As a part of its marketing initiatives, the business has set up Fenesta branded showrooms in multiple cities across India.
- ii. Cement: The Company's Cement business is located at its Kota plant with a manufacturing capacity of 4 lakh MT. The cement business leverages the waste generated from the Calcium Carbide production process to produce cement.
- iii. PVC Compounding: The business operates under a 50:50 Joint Venture with & Axiall LLC, USA (A Westlake company). The business' PVC compounding capacity is 32,564 MT / Annum
- iv. Hariyali Kisaan Bazaar: The Company had discontinued the retail operations few years back except for sale of fuel, which is also in the process of being rationalized.

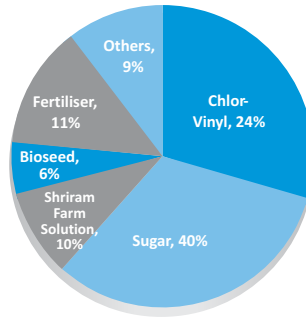


# Business Mix

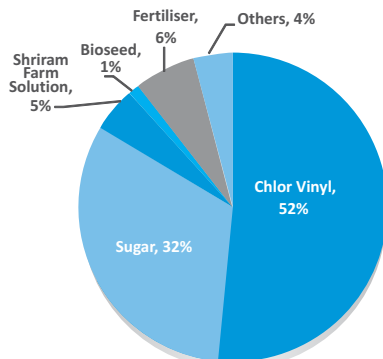
**Segment Revenue (FY'20)**



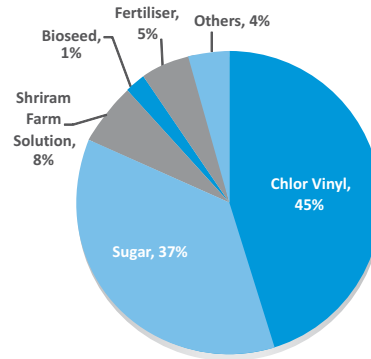
**Segment Revenue (FY'21)**



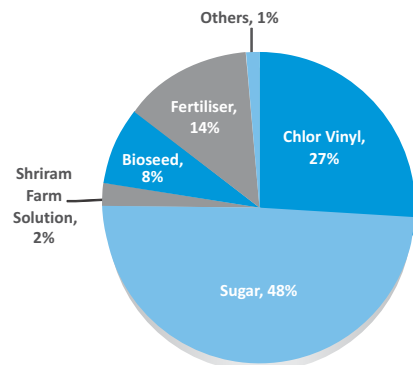
**Segment PBDIT (FY'20)**



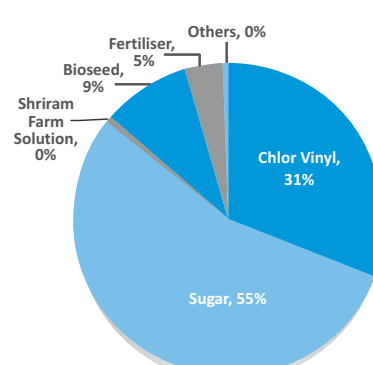
**Segment PBDIT (FY'21)**



**Segment Capital Employed (FY' 20)**



**Segment Capital Employed (FY'21)**



# Financial Highlights

(Rs. Crores)

Financial Highlights										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Net Revenue</b>										
- Own Products	3212.2	3833.7	4172.1	3913.1	3719.7	4514.8	5778.9	6866.5	6722.8	7226.9
- Traded	1794.1	1683.2	1986.9	1693.2	2014.5	1242.9	1079.2	876.8	966.5	1047.0
- Other Operating Income	33.0	22.0	23.2	32.9	46.3	30.8	42.4	27.8	77.8	34.3
Net Revenue from operations	5039.2	5538.9	6182.2	5639.2	5780.5	5788.5	6900.5	7771.1	7767.1	8308.2
PBDIT	364.8	574.1	558.9	450.3	545.6	817.9	1091.0	1456.3	1249.9	1244.3
Finance Cost	160.3	154.8	148.6	111.8	85.4	71.4	83.0	118.9	163.8	122.0
PBDT	204.5	419.2	410.3	338.6	460.2	746.4	1008.0	1337.4	1131.0	1122.3
Depreciation & Amortisation	156.9	146.8	137.9	110.2	98.0	113.7	140.7	157.2	219.0	233.1
PBT	47.6	272.5	272.4	228.4	362.3	632.7	867.3	1180.2	912.0	889.2
Exceptional Items	(38.1)	(53.6)	-	-	-	-	-	-	(14.8)	-
Profit After Tax(after share of profit/(loss) of joint venture and minority interest)	11.9	202.9	242.4	210.8	301.8	551.7	669.6	905.5	716.7	673.3
Cash Profit*	202.9	406.3	360.4	318.8	397.0	705.6	864.5	1091.8	1025.4	955.7
Share Capital - Equity	33.3	33.3	32.8	32.6	32.6	32.6	32.6	31.4	31.4	31.4
Net Worth	1315.2	1495.4	1686.6	1858.5	2093.1	2529.8	2987.0	3482.1	4010.1	4607.5
Long Term Loans	965.7	836.7	746.4	421.0	337.2	565.6	621.5	1072.2	1078.9	1176.4
Short Term Loans	852.7	720.4	430.9	338.9	727.1	508.3	134.1	537.9	1071.4	275.2
Total Loans (Gross)	1818.4	1557.1	1177.3	759.8	1064.3	1073.9	755.6	1610.1	2150.2	1451.7
Total Loans (Net)	1571.3	1435.9	683.1	688.3	1057.5	928.0	653.2	1265.0	1623.0	179.7
Total Assets	4628.6	4751.2	4852.3	4416.7	5007.1	5573.9	5651.7	7136.4	8135.4	7790.7
<b>Earnings per share (Rs.) **</b>	2.6	15.3	14.6	13.0	18.6	34.0	41.2	57.1	46.0	43.2
<b>Dividend per share (Rs.)**</b>	0.4	1.6	2.0	2.2	3.2	5.8	8.2	9.8	8.2	9.3

Ratios										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Return on Net Worth (%)	0.9	14.4	15.2	11.9	15.3	23.9	24.3	28.0	19.1	15.6
PBDIT to Net Sales (%)	7.2	10.4	9.0	8.0	9.4	14.1	15.8	18.7	16.7	15.0
PAT to Net Sales (%)	0.2	3.7	3.9	3.7	5.2	9.5	9.7	11.7	9.2	8.1
Total Loans (Net) / PBDIT	4.3	2.5	1.2	1.5	1.9	1.1	0.6	0.9	1.3	0.1
Total Loans (Net) / Net Worth	1.2	1.0	0.4	0.4	0.5	0.4	0.2	0.4	0.4	0.0

- Figures are based on consolidated financials.
- From April 1, 2016, the Company adopted Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs. Hence, the financials from FY 2016 onwards are in accordance with IND AS
- \* Cash profit are before exceptional items
- \*\* On face value of Rs. 2 per share

# OUR VISION

**VIBRANT GROWTH WITH TRUST, ENERGISED EMPLOYEES  
& DELIGHTED CUSTOMERS**

## OUR VALUES

**I** **NTEGRITY**  
*Uphold ethical standards. Be socially responsible. Deliver on promises.*

**A** **GILITY**  
*Act with speed. Adapt continuously. Deliver results.*

**C** **USTOMER-CENTRICITY**  
*Listen to customers. Build long-lasting relationships.*

**T** **EAM WORK**  
*Foster collaborative working. Promote meritocracy. Practice empathy & humility.*

**O** **PENNESS**  
*Encourage diverse views. Build external orientation.*

**N** **EWNESS**  
*Be Innovative. Be Creative.*



## Brief Profile of the Board of Directors of the Company

**Mr. Ajay S. Shriram**, Chairman & Senior Managing Director (DIN: 00027137), is a Director of the Company since 24.7.1989. He is the Chairman of Corporate Social Responsibility Committee & Board Finance Committee, and a Member of Nomination, Remuneration & Compensation Committee and Stakeholders Relationship Committee of the Company. He graduated in Commerce from Sydenham College, University of Mumbai and later attended the Programme for Management Development at the Harvard Business School, U.S.A. He has been conferred with Degree of Doctor of Letters (Honoris Causa) by BML Munjal University. He is the Chairman of the Governing Body of Shri Ram College of Commerce (SRCC) and Indian Institute of Management (IIM), Sirmaur (H.P). He is also a Member of the Board of Governors of Indian Institute of Corporate Affairs (IICA) and a Member of Uttar Pradesh State Investment Promotion Board. He is also Emeritus Director of The Fertilizer Association of India. He is the Council Member of National Sports Development Fund, Ministry of Youth Affairs & Sports, Government of India and a Member of India-Japan Business Leaders' Forum (IJBFLF). He has been nominated as a Member of Grand Jury of 2nd National CSR Award 2020 constituted by Ministry of Corporate Affairs, Government of India. He has been the President of Confederation of Indian Industry (CII) (2014-15) and the President & Chairman of International Fertilizer Industry Association (IFA), Paris (2009-11).

**Mr. Vikram S. Shriram**, Vice Chairman & Managing Director (DIN: 00027187), is a Director of the Company since 22.5.1990. He is the Member of Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Board Finance Committee of the Company. He graduated in Commerce with Honours from St. Xavier's College, Kolkata and is a Fellow Member of The Institute of Chartered Accountants of India.

**Mr. Ajit S. Shriram**, Joint Managing Director (DIN: 00027918), is a Director of the Company since 2.5.2001. He is the Member of Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Board Finance Committee of the Company. He joined the Company in 1991 as an Executive after graduating in Commerce from Osmania University, Hyderabad. He did his MBA from The International Institute for Management Development (IMD), Lausanne, Switzerland. He has done the Owner/President Management Program (OPM) from Harvard Business School (HBS), USA. He has been the President of the Indian Sugar Mills Association (ISMA) (2013-14) and is a Director of Indian Sugar Exim Corporation Ltd. (ISEC).

**Mr. K.K. Kaul**, Whole Time Director (DIN: 00980318), is a Director of the Company since 2.7.2014. He is the Chairman of Board Risk Management Committee and a Member of Board Finance Committee of the Company. He joined the Company in 1980 as Asst. Plant Superintendent. He is a First class First (Honors) graduate in Chemical Engineering and has been awarded Doctorate Degree in Human Letters (Honoris Causa) by Vardhaman Mahavir Open University, Kota. He has done an Integrated Management Development course at Administrative Staff College, Hyderabad and the Executive Programme from Darden Graduate School of Business Administration, University of Virginia, USA. He has 45 years of experience.

**Mr. K.K. Sharma**, Whole Time Director (EHS) (DIN: 07951296), is a Director of the Company since 20.11.2017. He is the Member of Board Risk Management Committee of the Company. He is a 1st rank holder and Gold medalist in Chemical Technology from UDCT [now Institute of Chemical Technology (ICT), Mumbai]. He also possesses Diploma in safety from Regional Labor Institute, Kanpur and also NEBOSH IGC in Occupational Health & Safety with distinction. He has also undergone GRI certified training on Sustainability Reporting Standards and is a Certified Corporate Director by Institute of Directors (IOD). He started his career with Gharda Chemicals as Trainee Engineer in manufacturing and worked with Ranbaxy, Jubilant and Syngenta. He is a member of the CII's National Committee on Environment, IBBI Advisory group and other committees. He has more than 32 years of experience in Agrochemicals and Pharmaceutical companies in manufacturing and EHS (Environment, Health and Safety).

**Mr. Pradeep Dinodia**, is a Non-Executive Independent Director (DIN: 00027995) of the Company. He is on the Board of the Company since 18.7.1994. He is the Chairman of Stakeholders Relationship Committee, Audit Committee and Nomination, Remuneration & Compensation Committee of the Company. He graduated in Economics with Honours from St. Stephens College, Delhi University and obtained his Law Degree from the same University. He is a Fellow Member of The Institute of Chartered Accountants of India and Chairman and Managing Partner in the Delhi-based Chartered Accountancy firm M/s. S.R. Dinodia & Co. LLP. He is Non-Executive Director of Shriram Pistons & Rings Limited and Hero MotoCorp Limited and Non-Executive Independent Director in Hero FinCorp Limited. He is the Chairman of Risk Management Committee and Corporate Social Responsibility Committee of Shriram Pistons & Rings Limited. He is the Chairman of Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Asset Liability Management Committee and IT Strategy Committee of Hero FinCorp Limited. He is the Chairman of Stakeholders Relationship Committee and Risk Management Committee of Hero MotoCorp Limited. He has co-authored a book "Transfer Pricing Demystified".

**Mr. Vimal Bhandari**, is a Non-Executive Independent Director (DIN: 00001318) of the Company and is on the Board of the Company since 13.5.2003. He is a Member of Nomination, Remuneration & Compensation Committee of the Company. He graduated in Commerce from Sydenham College, University of Mumbai and is a Member of The Institute of Chartered Accountants of India. He has rich experience of more than 35 Years. He is the Executive Vice Chairman of Arka Fincap Limited. He is also the Chairman of the Board of HDFC Trustee Company Limited. He is also a member of various committees of the Boards on which he sits as a director.

**Mr. Sunil Kant Munjal**, is a Non-Executive Independent Director (DIN: 00003902) of the Company, has been on the Board of the Company since May 13, 2003. He is also a member of the Audit Committee, Corporate Social Responsibility Committee and the Nomination, Remuneration & Compensation Committee. Mr Munjal is the Chairman of Hero Enterprise with interests in insurance distribution, steel-making, real estate and corporate training. He has set up the Serendipity Arts Foundation which aims to revive patronage in the arts and chairs the board that runs the Doon School. He sits on the boards of IIM Ahmedabad (IIMA), ISB, and SRCC. He has co-founded BML Munjal University (BMU) and is President of the Dayanand Medical College and Hospital, Ludhiana. He is a former president of the Confederation of Indian Industry (CII) and the All India Management Association (AIMA) and continues to be involved with them. He also chaired the board of MEPSC, a government and industry supported skills' initiative to create a professionally competent workforce for India. He has been on the Prime Minister's Council on Trade & Industry. He was a member of the Narasimham Committee that scripted India's banking and financial sector reforms. He was also on the Taskforce on Indirect Taxes (Kelkar Committee) that charted India's first roadmap for indirect taxes. India Today chose him as one of the "Faces of the Millennium" for business. He has also won the Jehangir Ghandy Medal for Social and Industrial Peace. Punjab University conferred on him the Udyog Rattan Award for role in the state's industrial development. He also received the GlobScot Award from the Scottish Government in 2012 for being one of the prominent employers in Scotland. He has also chronicled the incredible saga of Hero's founders in a book- The Making of Hero, which featured amongst India's prominent bestsellers for several months and won the Business Book of the Year 2020 Award at Tata Literature Live! Festival.

**Ms. Ramni Nirula**, is a Non-Executive Independent Director (DIN: 00015330) of the Company. She is on the Board of the Company since 3.2.2015. She is a Member of Audit Committee of the Company. She retired as Sr. General Manager of ICICI Bank Ltd. Beginning her career with erstwhile ICICI Ltd. in 1976 in project appraisal division, she has held various leadership positions since then. She was a part of top management team instrumental in transforming ICICI Bank from a term lending institution into technology led diversified financial services group with a strong presence in India's retail financial services market. Ms. Nirula also held key position as Managing Director & CEO of ICICI Securities Limited, the Investment Banking arm of ICICI Bank Limited. She also headed the Corporate Banking Group for ICICI Bank. In addition, she was also responsible for setting up the Government Banking/Corporate Agri Group based out of New Delhi within the bank. She has more than 40 years of experience in the financial services sector.

**Mr. Pravesh Sharma**, is a Non-Executive Independent Director (DIN: 02252345) of the Company. He is on the Board of the Company since 9.8.2016. He is a Member of Corporate Social Responsibility Committee and Audit Committee of the Company. He is a former IAS officer. Since taking voluntary retirement from the IAS, he has promoted two start-ups, which are attempting to build sustainable and inclusive agri value chains. He has an overall working experience of more than 34 years in food security, agriculture, rural finance, rural development and natural resources management.

**Justice (Retd.) Vikramajit Sen**, is a Non-Executive Independent Director (DIN: 00866743) of the Company. He is on the Board of the Company since 9.8.2016. He is a Member of Corporate Social Responsibility Committee of the Company. He is a retired Judge of Supreme Court of India. He graduated in History with Honours from St. Stephen's College. He attained First Division in LL.B. from Faculty of Law, Delhi University. He has a rich experience of 40 Years. He is the Chairman of the Board of Directors of the Bombay Stock Exchange (BSE).

**Ms. Sarita Garg**, is a nominee of Life Insurance Corporation of India (LIC), who was appointed as Additional Director of the Company, w.e.f. 20.10.2020 (DIN: 08926869). She is a science graduate from Delhi University & PGEP (affiliated to IIM Ahmedabad) and currently associated with LIC of India as an Executive Director and she has a total experience of around 32 years. She has worked in various departments and has a rich experience of working in Group Insurance and Information Technology.

## Senior Executive Team

The Company is organized into strategic business units managed by professional managers. The DCM Shriram management team has a strong, credible image in the industry. The key members of the DCM Shriram Group Executive Team are listed below:

---

**Mr. Ajay S. Shriram**

Chairman & Senior Managing Director

---

**Mr. Vikram S. Shriram**

Vice Chairman & Managing Director

---

**Mr. Ajit S. Shriram**

Joint Managing Director

---

**Mr. K.K. Kaul**

Whole Time Director

---

**Mr. K.K. Sharma**

Whole Time Director (EHS)

---

**Mr. A.K. Awasthi**

Chief Executive – Hydro Business

---

**Mr. R.L. Tamak**

Executive Director & CEO – Sugar Business

---

**Mr. Shekhar Khanolkar**

Executive Director & CEO – Chemicals

---

**Mr. Sushil Baveja**

Executive Director – HR

---

**Mr. Premdas Satsangi**

Executive Director & Resident Head - Kota & Business Head (Plastics & Power)

---

**Mr. Aditya A. Shriram**

Executive Director – Chemicals

---

**Dr. Sharad Sharma**

Executive Director & Chief Executive – Bioseed South Asia

---

**Dr. Paresh Verma**

Executive Director & Chief Executive - Bioseed South East Asia & Research Director – Bioseed Research India

---

**Mr. Vinoo Mehta**

President and Business Head – Fertilisers & Cement

---

**Mr. Saket Jain**

Business Head – Fenesta Building Systems

---

**Mr. Sanjay Chhabra**

President & Business Head – Shriram Farm Solutions

---

**Mr. Ankush Kaura**

Chief Information Officer

---

**Mr. Sreekanth Chundi**

Deputy Business Head – Shriram Bioseed

---

**Mr. Amit Agarwal**

CFO

---

**Mr. Sridhar Kumar Namburi**

Head – Internal Audit & Risk Management

---

**Mr. Sameet Gambhir**

Company Secretary

---

**Subsidiary**


---

**Mr. Devadatta Sirdeshpande**

Country Head – Bioseed Research Philippines Inc.

# Management Discussion and Analysis

## Performance Review

During FY'21, overall operating and financial performance of the company was stable despite challenges posed by Covid-19 pandemic. There were government imposed lockdowns in Q1, which led to closure of our manufacturing plants in the initial part of first quarter of the year (except for Agri related businesses). Post that, demand revival took some time especially in Chlor-alkali and Fenesta businesses. The above factors led to lower earnings in Q1 FY'21, after which there was improvement as the economic scenario in the country stabilised.

Plastics (Vinyl) business reported strong growth driven by higher realizations for both PVC & Carbide, in line with international prices. Businesses like Sugar & Shriram Farm solutions registered good growth led by higher volumes. Chlor- Alkali business registered de-growth as operations were initially impacted by lockdowns and domestic demand remained under pressure even post Q1. The International and domestic prices for Caustic Soda continued to be sub optimal for most part of the year, the prices started improving by end of the year. Fenesta business also witnessed de-growth as operations were impacted in Q1 but recovered well during second half of FY'21

Balance sheet continues to be strong. A significant development was in terms of release of Fertiliser (Urea) subsidy in Q4, which historically builds up in second half of the year, leading to lower working capital. Operating Cash flows are comfortable which enables us to look at further growth initiatives as well as manage business uncertainties.

- ✦ Total Revenue from operations stood at Rs. 8308 crore vs Rs. 7767 crore last year.
  - Sugar business revenue was up 34% at Rs. 3385 Crs. contributed by higher domestic sugar volumes due to higher domestic releases and higher exports due to additional quota allocated. Distillery also contributed to higher revenue due to higher volumes as FY'21 had full year operations of 200 KLD distillery at Ajbapur commissioned last year.
  - Chloro-vinyl: Chemicals revenue was lower by 26% to Rs 1283 crore as both volumes and prices were affected by subdued demand due to Covid-19 as well as new capacity additions in the domestic industry in Q4 FY'20. However, Plastics (Vinyl) business revenue was higher by 32% at Rs. 732 Crs driven by higher prices for PVC and carbide due to persisting global supply constraints. Overall revenue for Chloro-Vinyl was 12% lower at Rs. 2015 Crs.
  - Agri Input businesses' – Shriram Farm Solution: Turnover of Value-added inputs vertical up by 25% YoY, led by improved focus post closure of bulk fertilizer business. Bioseed up by 12% YoY led by higher sales volumes. Fertiliser down by ~11% due to lower gas prices. Overall Agri inputs business revenues were up 1% at Rs. 2223 crores.
  - Fenesta Business revenue was lower by 14% to Rs. 361 crore as it was impacted by lockdowns in Q1 of the financial year
- ✦ Profit before depreciation, interest and tax (PBDIT) declined by ~4% to Rs. 1244.3 crore vs Rs. 1294.9 crore last year:
  - Sugar Business PBDIT stood at Rs.503 crore, an increase of ~11% from last year, the improvement was driven by higher export volumes and higher earnings from distillery operations led by higher volumes

- Chemicals Business PBDIT stood at Rs. 326 crores, a decrease of ~48% from last year, on account of lower realizations and lower volumes as impacted by lockdowns in Q1 and subdued demand throughout the year due to Covid. Margins lower due to substantially lower realizations
- Plastics business PBDIT stood at Rs. 287 Crores, an increase of ~157% from last year despite volumes being affected in Q1 as profitability was driven by higher realizations for PVC in view of global supply constraints from mid-Q2 and rising global demand, leading to higher global prices
- Shriram Farm Solutions PBDIT improved to Rs 110 Crore vs Rs 69 Crore last year led by better volumes and margins for value added business
- PBDIT for Fertiliser, Bioseed and Cement business declined
- PBDIT for Fenesta business was also lower at Rs. 43 Crs vs. Rs. 67 Crs last year due to lockdowns in Q1. Business has however improved quarter on quarter
- Overall PBDIT margins declined to ~15.0% from ~16.7% last year
- ✦ Finance Costs – Finance costs during FY 21 decreased by 26% to Rs. 122 crore.
- ✦ PAT decreased to Rs 673 crore, down 6% from Rs 717 crore in FY 20.
- ✦ EPS for the year at Rs 43.2 down from Rs 46.0 in FY 20.
- ✦ Net Debt as on March 31, 2021 stood at Rs. 180 crore vis-à-vis Rs. 1623 crore as on March 31, 2020
- ✦ Projects Completed in FY 21 at an investment of ~ Rs. 35 crore –
  - SBP expansion project (43 TPD) at Kota was commissioned in March'21 at an expenditure of ~Rs. 10 Crs
  - Country Liquor project (6400 cases per day) was part commissioned in March '21 at Hariawan Sugar unit at an expenditure of ~ Rs. 25 Crs.

In line with our strategic direction of strengthening our businesses through scale, integration and cost efficiency, we have launched new Projects at our Chemicals complex in Bharuch Gujarat, the total investment is about Rs. 1500 crs.:

- Hydrogen Peroxide facility with a capacity of 52500 TPA, expected to be commissioned by Q4 FY'23
- Epichlorohydrine (ECH) facility with a capacity of 51000 TPA along with Glycerin purification facility expected to be commissioned by Q4 FY'23
- Expansion of Anhydrous Aluminum Chloride capacity by 32850 TPA, expected to be commissioned by Q1 FY'23
- A multipurpose Product Research & Development Center expected to be operational by Q1 FY'23
- 120 MW coal based new power plant is underway and is expected to be commissioned in Q4 FY'22
- Hydrogen Compressors with total capacity of 60398 NM3 per day expected to be commissioned in Q1 FY'22

The decision on implementation of 700 TPD Caustic Soda plant and 500 TPD flaker will be taken in due course.

We believe these steps will significantly strengthen our Chemicals business.

### Key Financial Ratios Standalone

Ratios	Mar'21	Mar'20	Remarks
Operating Profit Margin (%)	13.9%	15.5%	
Net profit Margin(%)	8.1%	9.6%	
Interest Coverage Ratio	14.0	11.0	Improvement in coverage is due to lower finance cost in FY'21 on account of lower debts
Current Ratio	2.3	1.6	Increase is due to lower current liabilities i.e. short term borrowings
Net Debt Equity Ratio	0.04	0.4	Reduction is on account of lower debt
InventoryTurnover	4.0	3.0	Due to lower sugar inventory
Debtors Turnover	18.1	7.1	Led by Lower Debtors in FY'21 on account of lower FICC dues
Return on Net Worth (%)	15.0%	19.4%	Reduction due to lower profit in FY'21 and also higher net-worth

### Business – Wise Performance Review and Outlook

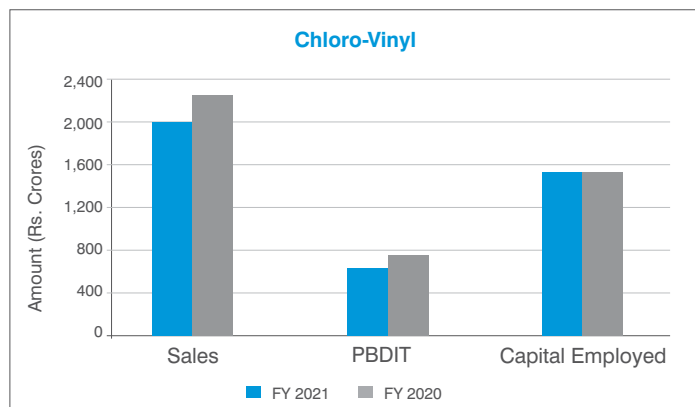
#### Chloro – Vinyl Businesses

This Business is energy intensive and integrated and is supported by 225 MW coal based captive power facilities. There are multiple revenue streams with Chlor-Alkali (Caustic Soda lye / flakes, Chlorine, Aluminium chloride, Hydrogen, Stable bleaching powder), Vinyl / Plastics (PVC resins and Calcium carbide). These multiple revenue streams lend stability to Chloro-Vinyl operations.

#### Business Performance

The Revenue, PBDIT and Capital employed for this business for FY 21 is as follows:

Particulars	FY 21 (Rs/Crores)	FY 20 (Rs/Crores)
Revenue	2015.2	2278.2
PBDIT	613.7	744.8
Capital employed	1492.3	1492.6



✦ Chloro-Vinyl segment's revenue stood at Rs. 2,015 crore as compared to Rs. 2,278 crore in FY 20. The decline was primarily a result of lower Chlor – alkali prices which were impacted during the year due subdued demand as impacted by Covid-19 global pandemic, new capacity additions in the industry in Q4 FY20 and lower international prices. Impact was substantially mitigated due to higher PVC prices which were higher due to global supply constraints from mid-Q2 FY'21 onwards that led to higher prices.

#### Chlor-Alkali

Chlor-Alkali (Chemicals) business produces core chemicals viz. Caustic Soda, Chlorine, Hydrogen, Hydrochloric acid and Stable Bleaching Powder, which are widely used in manufacturing processes of other industries. The growth of this business is largely correlated to the GDP growth in the country. Caustic Soda and Chlorine are produced as Co-products in the ratio of 1:0.88. Caustic Soda is used in Alumina, Paper, Textiles, Detergents, Pharmaceuticals industries etc. and Chlorine is used in Polymers, Dyes & inks, Agro-chemicals, Water treatment etc. The prices of Caustic Soda are influenced by international prices as well as domestic demand supply factors. Chlorine Prices are driven only by local demand supply factors.

The company operates manufacturing facilities at Bharuch (Gujarat) and Kota (Rajasthan). The aggregate production capacity at both the sites combined is 1843 TPD. DCM Shriram is the second largest manufacturer in the domestic Chlor-Alkali Industry and the Bharuch facility is the largest single location Chlor-alkali manufacturing unit in India. Both the manufacturing units have access to coal based captive power.

#### Business Performance

The Revenue, PBDIT and Capital Employed for this business for FY 21 along with quantitative data are as follows.:

Particulars	FY 21 (Rs/Crores)	FY 20 (Rs/Crores)
Revenue	1,283.0	1,724.8
PBDIT	326.4	632.9
Capital employed	1,240.6	1,209.1

Year	Sales (MT)	Realizations (Rs./MT)
FY 21	4,73,042	20,404
FY 20	5,25,024	27,579
% Change	-9.9	-26.0

Chloro-alkali revenue decreased by 26% YoY in FY'21 and PBDIT fell by 48%. The domestic market was under pressure in terms of prices and volumes, due to lower demand as a result of COVID-19 pandemic, which was further accentuated by new capacities that got added in Q4 FY'21 and soft international prices.

#### Industry Overview and Outlook

The Chloro- Alkali industry in India has 35 operating units with a combined installed capacity of 5.1 million Tons per annum of Caustic Soda. The Top four players comprise about 60% of the total installed capacity. The domestic demand for Caustic Soda in 2020-21 is estimated to be about 3.7 million Tons per annum, de-grew by 2.6% due to Covid-19 pandemic, the demand is expected to pick up going forward and restore normal levels of



growth of ~5%. While demand of chlorine has registered higher growth led by growth in downstream industries. Both caustic and chlorine are considered as the building blocks of various industries and the demands of both the products are linked to the Indian GDP growth. As GDP is expected to register a higher growth, the demand of these products is also expected to increase.

#### Our Strategy

Company remains committed to capitalize on the growing demand in the chemicals sector supported by the strong fundamentals of the economy, by constantly upgrading the production capacities and building downstream capabilities

This year, the company has approved the investment of Rs. 1000 Cr into downstream products of Hydrogen Peroxide, Aluminium Chloride and Epichlorohydrin to improve the captive chlorine utilisation and expand the overall chemicals portfolio. The company has also expedited its expansion of an additional captive power generation unit of 120 MW which was approved by the board in FY 20. This will bring cost efficiencies to the Bharuch Chemicals complex.

Notwithstanding the current challenges in global economy, the above investment demonstrates our firm belief in future of chemicals business and going forward we will continue exploring the possibilities to increase the portfolio of chlorine downstream and allied products to strengthen our capability to manage fluctuations in chlorine prices and further strengthen the business

#### Plastics (Vinyl)

The Plastics business involves manufacturing of PVC Resins and Calcium Carbide. The company is one of the oldest manufacturers of PVC Resins in the country with over five decades of experience in the business. The Plastics business is an integral part of the Chloro-Vinyl manufacturing facility at Kota with backward integration in terms of own Captive Power, Chlorine and Calcium Carbide. The Calcium Carbide manufactured by the company is partly sold as merchant Carbide, while a large part is captive consumed for the manufacture of PVC Resins.

DCM Shriram Ltd. is the only company in the country which manufactures PVC Resin through the Calcium Carbide route as against the Ethylene route which is being followed by most of the countries worldwide with exception of China.

PVC resin is a thermoplastic with 57% chlorine and 43% carbon content which makes it an excellent fire-resistant material, Pipes & fittings used in Agriculture & Construction account for more than 70% of PVC resin consumption in India as against ~45% for the world. The other key drivers for PVC Resin is the growth coming from applications other than pipes such as packaging, profiles, pharmaceuticals segments, etc. which are expected to account for a higher share of the demand for PVC Resins in the years to come. India's per capita PVC consumption is merely 2.4 kg which is low compared to global average of 5.7 kg. Calcium Carbide is used in the production of dissolved acetylene gas and de-sulphurizing (DS) compound

With steady rise in demand and promising prospects in the downstream agriculture, building & construction and infrastructure segments amid high dependence on imports, India is likely to remain at the forefront of the global PVC market.

#### Business Performance

The Revenue, PBDIT and Capital employed for this business for FY 21 along with the quantitative data is as follows:

Particulars	FY 21 (Rs/Crores)	FY 20 (Rs/Crores)
Revenue	732.2	553.4
PBDIT	287.2	111.9
Capital employed	251.7	283.5

Year	PVC Resins		Carbide	
	Sales (MT)	Realizations (Rs./MT)	Sales (MT)	Realizations (Rs./MT)
FY 21	63,839	98,692	12,409	62,450
FY 20	56,376	72,305	23,180	54,352
% Change	13.2	36.5	-46.5	14.9

The business revenue was higher by ~ 32% y-o-y and PBDIT increased by ~157 % y-o-y. This was primarily on account of higher PVC resin prices during FY'21 in view of disruption in global supplies from mid-Q2 FY'21 onwards along with increase in global demand leading to higher global prices. The volumes of PVC resins were higher during FY'21 and Calcium carbide were lower, since given the better prices of PVC, more calcium carbide was diverted to manufacture of PVC using the swing capability. The domestic Calcium Carbide prices too were overall higher during FY'21 in comparison with the previous financial year in view of higher international prices for Calcium Carbide from China. During Apr-May'2020, production and sales of both PVC resin & Calcium Carbide were disrupted with pressure on demand & pricing owing to lockdown and ensuing logistics constraints. The business witnessed strong recovery post Q1 FY 21.

The de-bottlenecking of PVC plant during FY'20 led to improved efficiency and increase in PVC resin production capacity by ~14,000 MT per annum. This helped to maximize business profitability during FY'21 in view of preference given to PVC owing to its higher netback over Calcium Carbide. The cost of power has declined primarily due to reduction in fuel rates, and also commissioning of the new 66 MW energy efficient power plant at Kota in FY'20. However, there was pressure on cost of raw materials mainly due to high carbon prices.

#### Industry Overview & Outlook

The PVC Resin installed capacity in India currently stands at ~1.5 million metric tons per annum. The domestic demand for PVC, which typically tracks GDP, is expected to shrink by ~16% y-o-y to ~2.8 million metric tons in FY'21 in the wake of the Covid-19 pandemic. It had been growing steadily at a CAGR of 6% since FY 2009-10 and had reached ~3.3 MTPA in FY 2019-20. Similarly the Calcium Carbide demand in India is estimated to shrink to ~54 KT for FY'21, a drop of ~20% from previous year. Demand growth is expected to remain firm in the medium term in line with GDP growth. The imports bridge the gap between demand & domestic supply and account for more than 50% of domestic consumption in case of both PVC & Calcium Carbide. With steady rise in demand and promising prospects in the downstream agriculture, building & construction and infrastructure segments amid high dependence on imports, India is likely to remain at the forefront of the global PVC market.

### Our Strategy

The company is focused on maximizing product volumes based on higher net pay back per unit of power, implementing cost reduction initiatives and continuously evaluating new models that enhance process efficiency and support the business' profitability.

The long term growth prospect for PVC in India continue to be positive with domestic consumption driven growth supported by low per capita consumption and the continued focus of the Government on infrastructure development expected to fuel growth of the PVC industry in India over the next several years.

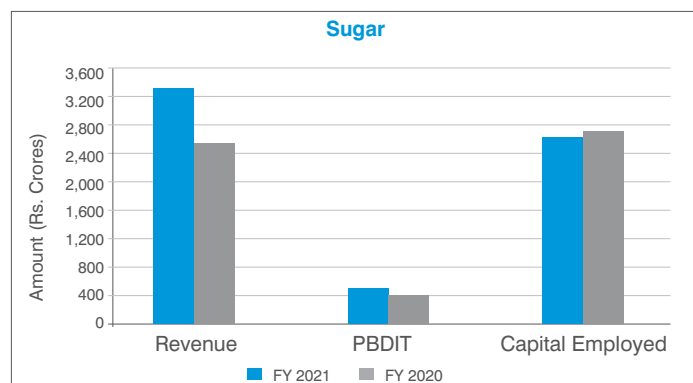
### Sugar

DCM Shriram is a major player in the domestic sugar industry based out of the State of Uttar Pradesh. The company has four integrated sugar complexes located in central U.P. at Ajbapur (10,500 TCD), Rupapur (6,500 TCD), Hariawan (13,000 TCD) and Loni (8,000 TCD) with a total crushing capacity of 38,000 TCD supported by power cogeneration capacity of 141 MW of which 84 MW of power can be exported. Hariawan sugar facilities are partially supported by a refinery of 700 TPD. These four units are also supported by two distilleries at Ajbapur (200 KLD) & Hariawan (150 KLD) with power cogeneration capacity of 14 MW, of which 3.5 MW is exportable and a country liquor bottling line of 6400 cases per day which was commissioned in March'21.

### Business Performance

The Revenue, PBDIT and Capital Employed for this business for FY 21 along with the quantitative data are as follows:

Particulars	FY 21 (Rs/Crores)	FY 20 (Rs/Crores)
<b>Revenue</b>	3,384.5	2,521.6
<b>PBDIT</b>	503.2	454.4
<b>Capital employed</b>	2,621.1	2,704.6



Product	Year	Sales (Lac Units)	Realizations (Rs./Unit)
<b>Sugar (Domestic)</b> (In Quintals)	<b>FY 21</b>	57.2	3,246
	<b>FY 20</b>	50.9	3,293
	<b>% Shift</b>	12.3	-1.4
<b>Ethanol</b> (in litres)	<b>FY 21</b>	1251.3	49.4
	<b>FY 20</b>	596.7	46.4
	<b>% Shift</b>	109.7	6.4

### Operating Parameters:

Particulars	Unit of Measurement	FY 21	FY 20
<b>Financial Year</b>			
Cane Crushed	Lac Quintals	618.4	603.0
Recovery Rate*	%	10.6	11.2
Sugar Produced	Lac Quintals	65.9	67.6

\* Due to B-heavy operations at some units

- Top line growth of 34% as well as PBDIT growth of 11% is attributed primarily due to:
  - Higher volumes of Sugar on account of higher domestic releases and additional export quota.
  - Higher volumes of Ethanol due to commissioning of 200 KLD Distillery at Ajbapur.
- Sugarcane yield and recoveries are lower across Uttar Pradesh and industry is expecting ~ 10% reduction in sugar production in Uttar Pradesh on account of these. We will also be impacted, however the impact will be relatively lower in our case.

### Industry Overview and Outlook

India is the second largest producer and largest consumer of sugar in the world. In domestic context, sugar is the second largest Agro based industry supporting over 50 million farmers along with indirect employment to rural population. It is estimated that about 7.5% of the rural population in India is involved with the sugar industry.

Indian Sugar Industry is highly fragmented with private sector, Government undertakings, Co-operatives, and unorganized players. Unorganized players are mainly involved in production of Gur and Khandsari, the less refined form of sugar. The crushing period varies from region to region beginning in October/ November and goes on till April/ May in all states except in southern states like Tamil Nadu, Andhra Pradesh where it continues till July/ August.

There have been no significant investments in global sugar capacities over the last few years and the variations in sugar production have been largely attributable to the vagaries of nature and the flexibility in Brazil between sugar and ethanol production. Also, the consumption has been stagnant at ~174 mmt. Based on latest updates sugar balance sheet will remain almost balanced in current and next years with minor deficit/surplus. Some areas that may impact the balance are:

- Movement in crude prices presently at 70\$/bl (Brent) may change sugar mix in Brazil.
- Recovery in Thailand from back to back drought in recent past
- Upcoming distillation facilities in India for diverting excess sugar to ethanol

India is structurally a sugar surplus nation with sugar production almost stabilized at ~30-31 mmt levels with a variability of 3-4 mmt due to climatic conditions and Consumption at close to 26 mmt. Recently, Co0238 sugarcane variety in Uttar Pradesh has seen increased incidences of red rot, thereby impacting sugar production by almost 10% in the State, future impact of the same needs to be assessed, although the industry has already started taking measures to promote new varieties.

Indian sugar stocks have started to reduce recently with the help of export

policy and diversion of sugar for ethanol production. As per WTO guidelines sugar exports in the current format can only sustain upto Dec 2023 i.e. one more sugar season (SY 2021-22). With current capacities maximum sugar diversion for ethanol can be only 3 mmt.

Government of India continues to be aggressive in the ethanol blending mandate and intends to achieve the target of 20% blend by 2025. For the current Ethanol season the prices have been increased across categories. The government continues its support to production of Ethanol including grain based, through various financial schemes.

### Our Strategy

Sugar business has been working for the last couple of years on building a fully integrated sugar complex having a capability of capturing full downstream value for all its four sugar factories. Now our key focus areas are

1. Focus on improving productivity and quality of sugarcane through dedicated cane development efforts, thereby benefitting both farmers in terms of higher yields and mills in terms of better recoveries & volumes
2. Focus on sweating existing assets and drive operational efficiencies across all business lines
3. Further evaluate options of value addition on by-products

### Shriram Farm Solutions

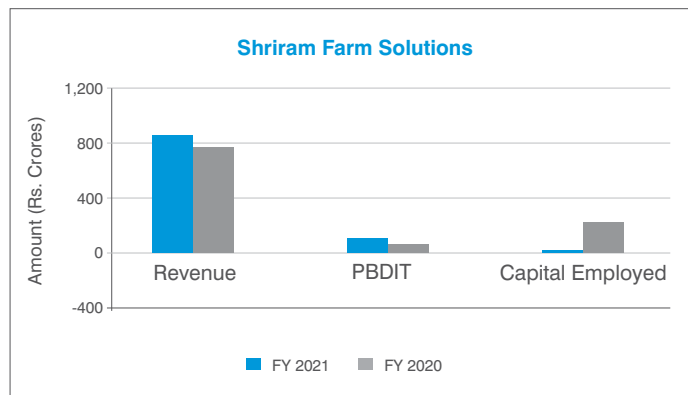
Agriculture Challenges in the coming decades are expected to be vastly different from the agriculture challenges of the past. With climate change impacting farm yields, there is need for newer technology sustainable inputs. The Shriram Farm Solution business strives to provide new technology solutions to the farmer ranging from products to agronomy. The product portfolio includes Seeds, Specialty Plant Nutrition and Crop Care Chemicals. In spite of Covid-19 challenges during the FY21, Shriram Farm Solutions retained its focus on new technology Agri-inputs with launch of new products & also maximized social media for demand generation & sales promotion activities. All three categories of SFS viz. Seed, Specialty nutrition and Crop care chemicals saw an overall growth. The business is supported by a strong team for agronomy services and farmer outreach.

The company lays strong emphasis on educating farmers and strengthening its farmer interface which is critical to increase adoption of newer products and technology. SFS's vast network of field workforce and its digital presence has been instrumental in building awareness amongst farmers. The business is supported by a strong distribution network spread across 15 states, reaching out to ~ 2 million farmers through ~ 35,000 retailers. The Company sells these Agri-Inputs under the brand 'Shriram' which has stood for quality, for the last 5 decades and has a strong brand equity amongst the farming community.

### Business Performance

The Revenue, PBDIT and Capital employed for this business for FY21 are as follows:

Particulars	FY 21 (Rs/Crores)	FY 20 (Rs/Crores)
Revenue	858.2	762.0
PBDIT	109.9	68.5
Capital employed	-1.4	121.2



- Revenue was higher mainly on account of revenue of the 'Value Added' inputs vertical which was higher by 25%. In FY 20 there was sale of Bulk fertiliser of Rs. 76 crs. which was nil this year as a result of rationalisation of this business.
- PBDIT for FY 21 was higher at Rs. 110 crores from Rs. 69 crores, primarily due to Value Added business reported better volumes and margins.

### Industry Overview and Outlook

Over the medium term, the Agri-inputs sector in India is poised to witness strong growth given the macro factors such as population growth, rising per capita income that are leading to rapid rise in growing demand for food.

### Our Strategy

Company is focused on driving growth in the differentiated portfolio of new technology products. To achieve this, company plans to strengthen its Research & Development, it has entered into partnerships with leading global R&D players and enhanced its market reach. The product pipeline is strong. We believe, that these steps will enable the business to achieve healthy growth in the medium term. As a part of the rationalization, the only bulk fertiliser product SSP left in its portfolio has been discontinued during the FY21.

### Bioseed

Bioseed is a Research oriented organization and believes in serving the farmers by providing high quality hybrid seeds with desired traits. It is a business with end to end integration which involves research, production and marketing.

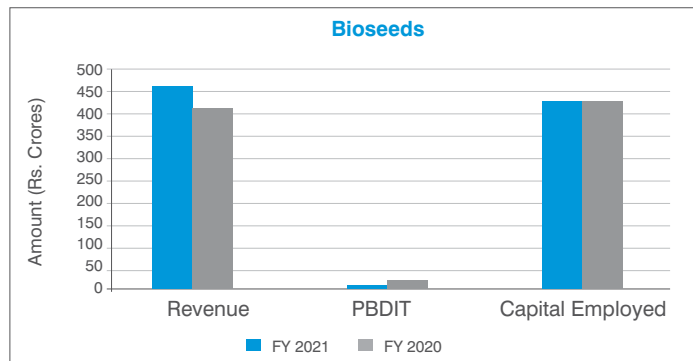
The key crops that we deal in India comprises of Corn, Paddy, Bt Cotton, Mustard, Vegetables, Wheat among others. In Philippines we deal primarily in Corn and paddy. Our distribution network is wide spread across regions and continues to grow as we increase our volumes and crops.

We have our research stations in all major agro-climatic regions in Asia Pacific region, to cater to farmers in the respective regions. We spend about 12-14% of our revenue on research activities. This has led to a healthy product pipeline. The product development is not only focused on providing high yielding hybrids, but also meeting other challenges, such as pest resistance, disease tolerance, salinity and drought tolerance. The Company has got into various research alliances to further strengthen its capabilities in new technologies.

### Business performance

The Revenue, PBDIT and Capital employed for this business for FY21 are as follows:

Particulars	FY 21 (Rs/Crores)	FY 20 (Rs/Crores)
Revenue	464.2	415.9
PBDIT	11.1	17.0
Capital employed	427.4	425.4



Bioseed Revenues in FY 21 stood at Rs 464 crore vs. Rs 416 crore last year. Indian operations witnessed an increase in revenue to Rs. 355 Crores from Rs. 328 Crores last year, a result of higher corn, paddy and vegetable seed sales. While international operations revenue increased to Rs. 97 Crores from Rs 88 Crores last year. The Philippines operations have continued to show consistent improvement, where revenue in FY21 increased to Rs 95 crores from Rs 74 crores in FY20. The operations in Indonesia were divested in FY 20 and Vietnam was divested in FY 21. PBDIT has declined primarily due to provision made on account of slow moving Cotton Seed inventory.

### Our Strategy

Research and development are the foundation of this business and we continue to strengthen it, to ensure medium to long term sustainable growth in the business. These efforts have enabled us to develop a robust pipeline of products, which meet the evolving needs of the farming community such as tolerance to climate variations, disease and pests. The company is continuously taking all necessary steps to strengthen conventional breeding as well as biotechnology related initiatives. The Company has an applied biotechnology research program which is focused on supporting breeding programs through the use of latest molecular and bio-informatics tools, as well as on developing GM and Non GM traits to meet various farming challenges.

The business is strengthening its product portfolio and intensifying marketing efforts to create a demand pull by organizing the field activities especially on newly launched hybrids in all the major crops. The trade channel is also being strengthened.

### Fertilizer (Urea)

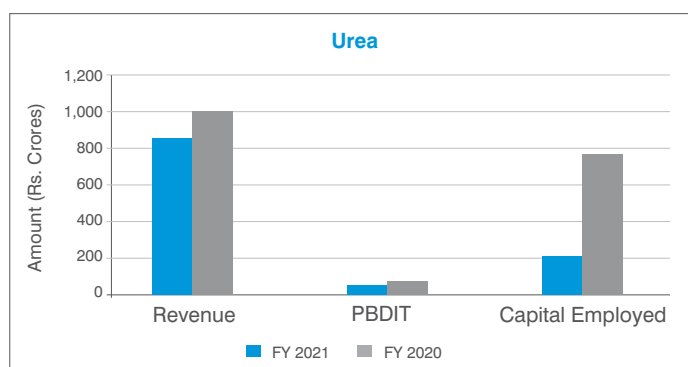
The company's Urea plant located at its integrated manufacturing complex at Kota, Rajasthan, is one of the oldest plants in the country with a reassessed capacity of 3,79,500 TPA of Urea. The company markets its products under the "Shriram Urea" brand, a trusted name and enjoys high brand equity amongst the farmers. The Company has an extensive distribution network over the entire Northern and Central India.

### Business Performance

The Revenue, PBDIT and Capital employed for this business for FY21 along with the quantitative data is as follows:

Particulars	FY 21 (Rs/Crores)	FY 20 (Rs/Crores)
Revenue	900.7	1016.6
PBDIT	70.1	91.5
Capital employed	229.5	768.2

Year	Sales (MT)	Realizations (Rs./MT)
FY 21	4,07,936	20,347
FY 20	3,80,392	24,675
%Change	7.2	-17.5



There has been a substantial reduction in Capital employed in current year end due to receipt of pending urea subsidy through additional fund allocation for Urea subsidy under "Atma Nirbhar Bharat" Scheme of Govt. of India.

### Industry Overview and Outlook

India is the second largest producer and consumer of Urea in the world. Urea is most preferred fertilizer and constitutes about 81% of entire 'N' fertilizer consumption in the country. Low farm gate price (fixed by government) and high nitrogen content has made it a preferred choice of the farmers. The gap between demand and supply of Urea has been met through imports. During 2020-21, urea imports were 98.3 Lac MT (till Feb.'21) against 79.0 Lacs during 2019-20.

### Our Strategy

The Company has been making continuous efforts towards improvement in energy consumption, maximising urea production as well as control on fixed expenses.

### Other Businesses

#### Fenesta Building Systems

Fenesta is India's largest and most preferred windows and doors brand. Fenesta provides complete solutions in terms of design, manufacture, fabrication, installation and service of precision-engineered, made-to-order window and door systems. The company operates in two segments, i.e 'Retail' and 'Projects' (Institutional). It provides solutions for uPVC Windows and Doors as well as System Aluminium windows

### Business Performance

During the year, the performance in Q1 and Q2 was impacted caused by Covid-19 related disruptions in the country. The business witnessed healthy revival in H2 and reached pre-covid levels. The revenue stood at Rs. 361 crore in FY20 vs. Rs.419 crore last year.

### Our Strategy

Strategic focus area of the business is to provide exceptional customer experience and offer comprehensive product portfolio resulting in enhanced volumes.

Fenesta continues to focus on improved service and geographical expansion and channel expansion. Business is targeting to improve channel productivity and sales effectiveness, which is expected to result in better conversion rates and increase in overall sales.

### Cement

The company operates a Cement plant with a capacity of 400,000 TPA located at its integrated manufacturing facility at Kota. Calcium hydroxide sludge is generated in the process of manufacturing PVC resins through calcium carbide route, which is then converted to cement in an environmentally friendly manner using 'wet' process.

The Company produces high quality, premium grade Pozzolana Portland Cement and Ordinary Portland Cement. The Cement is characterized by light colour, superior strength and early setting properties. These characteristics have made "Shriram Cement" to be considered as a premium brand especially in markets like Delhi/NCR and Rajasthan.

### Business Performance

Revenue of the Cement business stood at Rs. 167 crore vs. Rs 170 crore last year. This decrease of ~2% was mainly on account of lower sales quantity specially during Q1 2020-21 on account of lockdown condition.

### Hariyali Kisaan Bazaar

The Company has limited its operations in this business to fuel retailing at the existing outlets. The Retail operations were rationalised in 2013. The company plans to close this business.

### PVC Compounds – under Joint Venture

Shriram Axiall is an Indo-US 50:50 Joint venture between DCM Shriram Ltd. & Axiall LLC, USA (A Westlake company). Shriram Axiall is one of the largest organized players for PVC compounds in India and has world class manufacturing facility and product development lab.

The product range includes wire & cable, Automotive, Food & Medical, Colors segments and "Specialty Compounds"

The market of PVC compounds which is around 3.45 Lac MT per year out of which 4% is catered through imported compounds. There is export of about 23 thousand MT per year from India. In terms of the total market split, wire and cable business constitutes around 72% of the total market size by volumes with remaining volume of Medical, Automotive, EVP and Master batch market. The JV holds about 15% market share in automotive grade.

### Business Performance

The company's total revenues during the year were at Rs 130.6 crore vs Rs 160.5 crore last year. The PBDIT stood at Rs 6.5 crore vs Rs 9.5 crore last year. This decrease was mainly on account of lower sales quantity during Q1 2020-21 on account of lockdown.

The company is exploring new avenues of market segments which would be mainly engineered vinyl products through its R & D facility known as iPAC (Innovative Plastic Application Centre).

### Opportunities, Threats, Risks and Mitigants

The Company being a conglomerate has a default business hedge however individual businesses are exposed to various opportunities and risks.

#### Opportunities:

- Agri-Inputs
  - ✦ The Agri-inputs business of Bioseed and Shriram Farm solution will have opportunities over medium to long term in the form of rising demand for quality seeds and other farm inputs with desired traits. Demand is going up for food in the country leading to a need for higher productivity and resistance to climate, disease and pests for crops. Approval to GM technology in India for crops such as corn, vegetables as and when it happens, will further foster growth of hybrid seeds.
  - ✦ Presence of company's seed business in overseas markets of Philippines provides opportunity to the business to grow along with the growth in Agri sector in these countries
- Sugar business segment of the company provides multiple opportunities for forward integration into Distillery and other products
- Chlor-Alkali business is seeing opportunities in capacity expansion to meet the medium-term demand growths as well as in downstream products that will help Chlorine evacuation and other value added downstream products.
- The company's Fenesta Building Systems business provides opportunities in existing windows business and newly entered System aluminium windows through product innovation as well as in related building products.
- Strong brand in all businesses, which enjoy high level of Trust and Credibility with customers including farmers.
- Strong financials with healthy cash flows and good project implementation track record provides ability to continuously invest in growth.

#### Risk, threats and mitigants:

- Businesses such as Sugar, Fertiliser and parts of Bioseed business segments are exposed to risk of regulatory intervention. Exposure to these businesses is kept at reasonable level. Further, we alongside with other industry participants and associates work with regulatory agencies on continuous basis to ensure a policy framework which benefits farmers (key stakeholder in all these businesses), consumers and industry. We have diversified the product portfolio in Sugar and Bioseed to limit the risks.
- Substantial delay in payment of dues from government related to fertiliser and Sugar business. The Company manages its working capital and tries to keep overall debt at low levels to enable handling such risks
- Businesses like Chloro-vinyl are energy intensive. Rising energy costs as a result of rising international and domestic coal prices, freight, duties and levies, is increasing the cost of production. Climate change related impacts are the possible new risks. We continuously work and invest in improving our technology, efficiencies, fuel mix and sourcing, to ensure that overall cost of production is competitive. As regards climate change we work extensively towards climate sustainability.
- Chemicals, Plastics, Cement and Sugar are commodity products, hence their prices are led by global commodity prices along with domestic demand and supply position. The Company focuses on being amongst the lowest cost producers in these businesses.

- Compliance - Increasing regulatory enactments has brought in the need for additional compliances. With various statutes and regulations, non-compliance may not only lead to monetary penalties but also have an impact on the reputation of the organisation and the goodwill it enjoys. The risk is mitigated through regular monitoring and review of changes in the regulatory framework to ensure compliance with all the applicable statutes and regulations.

#### **Internal Control Systems and their Adequacy**

Our business is run on SAP S4 Hana ERP, which provides high level integration of all transactions including financial transactions and statements. The key business processes and policies are documented. Risk Control Matrix (RCM) has been prepared for all the key processes and business transactions. Process adherence and compliance effectiveness of control matrix is tested at three levels i.e. by the Business Accounts Team, Corporate Internal Audit Team and then the Co-sourced Internal Auditor. The statutory auditors also carry out their audit on processes and internal controls on financial reporting. The internal audit is carried out regularly as per the plan approved by the audit committee. The audit observations are discussed and monitored by Corporate Office as well as the Audit Committee regularly. The company has already implemented GRC (Access Control module) for SAP access management and further also implemented GRC (Process Control module) which will facilitate continuous monitoring of controls and further enhance the effectiveness of the internal control systems.

#### **Human Resources and Industrial/Employee Relations**

The Organisation has continued through the entire year its focus on building a great work culture, healthy relationships, enhancing capabilities to drive performance and leading initiatives to make a difference, along with creating a culture of vibrancy and high employee engagement. Developing people has been a key agenda for the Organisation like every year because of its ability to drive business performance and outcomes. Also, some new focus areas like holistic Employee Wellbeing and Leveraging HR Technology has been at the core of the people agenda last year, with multiple high impact initiatives around physical, emotional financial and spiritual wellbeing of employees and proactive identification of areas for automation, in order to improve HR deliverables and help strengthen the strategic role of HR.

The commitment of the Organisation towards People is strongly enshrined in the core values and beliefs of the Organisation and the related programs, policies and practices that have got institutionalized over the years.

#### **Productivity and Optimisation**

There has been an ongoing focus on driving productivity and optimization of resources on a sustained basis in the Organisation across all the businesses and units. There have been awareness programs and initiatives in all the businesses around building efficiencies in the entire work spectrum, raising standards of performance, improving quality of products and services and reducing costs. This is seen a key contributor to building competitiveness at the market place.

There is an increased focus on ensuring employee safety and wellbeing and improving the engagement score and strengthening the managerial effectiveness across the different businesses in the organization. Focus on talent acquisition, strengthening the selection/onboarding process continues to be the cornerstone for improved employee engagement. Learning processes have been continuously redefined and consists of experiential learning process, with blended approach of online training and on the job projects, for greater effectiveness. There have been various CFTs, action learning projects, ideation initiatives and suggestion schemes to engage with the larger workforce to seek their inputs and involvement to reduce costs, improve productivity and profitability in line with the industry standards and benchmarks.

#### **Capability Building**

Building capability of employees has always been a significant driver of enhancing business performance on a sustained basis in the Organisation. Like every year, the company has continued to invest in imparting new skills, competencies and knowledge of its employees across all the levels in the various businesses. Employees have continued to go through structured training and development programs, attend some of the best in class programs, conferences and seminars. There have been focused efforts on overall upgradation of unique capabilities relevant to the businesses through structured and systematic learning programs, on the job training, job rotations, multiskilling, projects and assignments. All Competencies across the entire spectrum – technical, functional and behavioural – have been focused as part of the development programs. There has been an increased focus on defining and enabling the cultural shift required to better meet customer expectations and ensuring that all processes align with the shift along with a focus to internalize the new values coined by the company over the course of last few years.

A conscious effort is being made to enable a performance culture and empower employees. Talent and leadership development has continued for the high potential employees of the Organisation based on the developmental needs of the individuals and Organisation. Mentoring and coaching programs have continued along with rotations of employees into new and different roles to give them a developmental exposure and learning for better career.

#### **HR Initiatives and Interventions**

Some of the most significant interventions, along with pursuing the ongoing ones, have been around holistic employee wellbeing and enhancing employee experience through integrated technology platforms. There has been a lot of focus on ensuring the quality of key processes impacting day to day experience of employees, encompassing Recruitment & On boarding, Goal and Performance Management, Learning Management System, CDP, Succession Planning and Continuous Performance Management. These are seen as strategic initiatives, enhancing the effectiveness of HR processes & systems and creating a win-win situation for all the stake holders. The focus on leveraging the other initiatives like Talent & Leadership Development to build a talent pipeline for the future, Succession Planning for key leadership positions and Balanced Scorecard for a sharper focus on outcomes and deliverables has also been significant. There has also been extensive work around following-up on the findings of the Engagement Study and implementing the action plan emerging out of the same to impact the various engagement drivers.

#### **Employee / Industrial Relations**

The focus on building cordial and harmonious relationship with employees of the Company has continued on a sustained basis. An environment of mutual trust, understanding and faith has been nurtured in line with the progressive philosophy of the Organisation to work in a collaborative way and build togetherness to achieve the larger goals of building a great institution and business Organisation. The core value of respect and dignity has been well institutionalized in the organization ensuring fairness, transparency and engagement. With every passing year, the organization has increased its focus on Employee health safety, responsible care, process safety and a cleaner and safer work environment.

The unique initiatives undertaken from time to time, along with an authentic people philosophy of the Company, has ensured that the workplace provided to the employees is engaging, positive and enabling. All this has led to the building of a facilitating ecosystem and ethos in the Company. It has ensured that employees give their best and align themselves fully to the business and organizational goals of the Company so as to create a bright future for every stakeholder.



# Business Responsibility Report

[Under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:**  
L74899DL1989PLC034923
- Name of the Company:** DCM Shriram Ltd.
- Registered address :** 2<sup>nd</sup> Floor (West wing), Worldmark-1, Aerocity, New Delhi-110037
- Website:** www.dcmshriram.com
- E-mail id :** response@dcmshriram.com
- Financial Year reported :** 2020-21
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

Code	Description
2011, 2012	Manufacture of Chemicals and Fertilisers
4620	Trade of Agri-inputs
2394	Manufacture of Cement
1072	Manufacture of Sugar
0164, 7210	Seed Processing Activities, Research Activities
2220	UPVC Window Systems
3510	Co-generation of Power

As per National Industrial Classification, 2008

- List three key products/services that the Company manufactures/provides (as in balance sheet):**
  - Caustic Soda (Chemicals)
  - Sugar
  - Fertiliser
- Total number of locations where business activity is undertaken by the Company**
  - Number of International Locations (Provide details of major 5)**  
The Company has subsidiaries outside India with operations in Vietnam\* and Philippines.  
\*Ceased to be subsidiary of company w.e.f. 31st July 2020
  - Number of National Locations**  
The Company has business activities across India. Major plant locations of the Company are at: Ajbapur, Rupapur, Hariawan, Loni (U.P.), Bharuch (Gujarat), Kota, Bhiwadi (Rajasthan), Hyderabad (Telangana State) and Chennai (Tamil Nadu).
- Markets served by the Company - Local/State/National/International**  
National/International (By the Company/Subsidiaries)

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR) :** Rs. 31.35 Crs

- Total Turnover (Revenue from operations in INR) :**  
Rs. 8211.99 Crs
- Total profit after taxes (INR) :** Rs. 662.48 Crs
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 2.58 % of average Net profits of the Company made during the three immediately preceding financial years.
- List of activities in which expenditure in 4 above has been incurred:-**

The major activities in which expenditure has been incurred include: (i) Preventive healthcare and Sanitation, (ii) Promoting education, Vocation skills, livelihood, (iii) Environmental sustainability (iv) Rural development

## SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies?**  
Yes. For details, Annexure-2 of Board's Report may be referred.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**  
Yes. All Subsidiary Companies are encouraged to participate in the Business Responsibility (BR) initiatives of the Company and all foreign subsidiaries participate subject to applicable Indian and International laws. The details of Subsidiaries of the Company form part of the Financial Statements of the Annual Report.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

To the extent a BR initiative requires, the Company collaborates with all the relevant stakeholders including suppliers, distributors, local communities and others. Considering the diversity of BR initiatives of the Company, and the multiple stakeholders, on an overall basis, percentage of such other entities directly participating is estimated to be less than 30%..

## SECTION D: BR INFORMATION

- Details of Director/Directors responsible for BR**
  - Details of the Director/Director responsible for implementation of the BR policy/policies**  
**DIN Number :** 00980318  
**Name :** Mr. K.K. Kaul  
**Designation :** Whole Time Director

**(b) Details of the BR head**

Led by Mr. K.K.Kaul, Whole Time Director, the following have been nominated as a Team to head the BR initiatives:

No.	Particulars	Details			
1	Name	Mr. K.K. Kaul	Mr. K.K. Sharma	Mr. Amit Agarwal	Mr. Sushil Baveja
2	DIN No. (if applicable)	00980318	07951296	-	-
3	Designation	Whole Time Director	Whole Time Director (EHS)	Chief Financial Officer	Executive Director HR
4	Telephone No.	011-23316801	011-23316801	011-23316801	011-23316801
5	Email id	kkkaul@dcmshriram.com	kksharma@dcmshriram.com	Amit agarwal@dcmshriram.com	sushilbaveja@dcmshriram.com

**2. Principle-wise (as per NVGs) BR Policy/policies**
**(a) Details of compliance (Reply in Y/N)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)*	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner /CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="http://dcmshriram.com/company%27s-policies">http://dcmshriram.com/company%27s-policies</a>								
7	Has the policy been formally communicated to all relevant internal	Y	Y	Y	Y	Y	Y	Y	Y	Y

	and external stakeholders?									
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

\* The Company continuously adopts and adapts its policies keeping in view standards and practices which are best in class nationally and internationally.

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									



3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Director responsible for BR initiatives assesses the BR performance periodically once in a year.

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

BR Report is published annually as part of the Company's Annual Report, available at [www.dcmshriram.com](http://www.dcmshriram.com).

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1**

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

The Company's Commitment to ethics, and its policy of no bribery and anti-corruption covers the Company and extends to the entire DCM Shriram family including subsidiaries, joint ventures, Directors and employees. The policy extends to all consultants and third parties in relation to their engagement with the Company and transactions undertaken by them for and on behalf of the Company as part of the contract agreement. While entering a relationship, the Company takes into account the stakeholders' alignment to ethics, no bribery and anti-corruption.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The details of the Shareholders Complaints received and satisfactorily resolved during the past financial year are as disclosed in the Corporate Governance Report (Section E). In addition, the Company received customer complaints in the ordinary course of business which were resolved to the satisfaction of the customers.

**Principle 2**

Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

(i) Cement

The Company's Cement production is primarily a waste recycle and resource conservation initiative. Hydrated lime sludge (Calcium Hydroxide Sludge) is generated during Acetylene production in the Company's chemical plant. Considering the challenge in disposing this sludge in an environment friendly manner, cement plant was established with technology from Lafarge Coppee Lavalin, France. Setting up of this plant addressed environmental concerns and is a sterling example of converting waste to wealth.

(ii) UPVC doors & windows - Fenesta<sup>TM</sup> Building Systems:

The company is a leading producer of UPVC doors and windows under its brand Fenesta. These utilize PVC resins which addresses a major environment concern as otherwise a substantial number of trees need to be cut for construction of traditional doors and windows made from wood. The usage of UPVC doors and windows is also eco friendly as they improve indoor air quality by reducing noise and nuisance dust and it also saves power by reducing loads on air conditioners.

(iii) Sugar

The Company's integrated sugar business comprises of Sugar mill, Distillery and Bagasse based power plant. These are designed keeping in view social and environmental concerns. Entire captive power utilization is met from Bio-fuel (Bagasse) which is a by-product of sugar cane and captive power of ethanol plant is met from mixed fuel of Slop (waste of ethanol) and bagasse. Flue Gas Scrubber is installed which increases the calorific value of fuel of bagasse and lowers the emission levels. The ash produced from the Slop fired boiler is rich in potash and is an effective source of potassium for the soil. Surplus clean energy produced using bagasse is sold to the Grid for distribution. Further, wastes generated during sugar processing like boiler ash and press mud cake are used as organic manure and distributed to the farmers. The organic manure also enhances health of the soil. Excess water from cane produced in sugar processing is utilized in plant operations and irrigation purposes thereby reducing intake of net ground water. Ethanol produced from molasses is used for blending in petrol and thus serves as green fuel in mitigating the climate change risk.

(iv) Urea

The Company's Urea plant is India's first private sector plant based on Naphtha as key raw material. Later on, in 2007, feedstock was switched over to Natural Gas to manufacture premium quality Urea in an efficient and environment friendly manner, consistently winning awards for productivity, environment protection and safety. The Company manufactures Neem coated urea which prevents its unintended usage and promotes slow release of Nitrogen impacting positively on climate change mitigation and also as growth promoter for farmers. Under Protect & Sustain initiative by International Fertilizer Association (IFA) during the financial year, the Company was recognized as Industry Stewardship Champions for their outstanding achievements in product stewardship and commitment to Safety, Health and Environment (SHE) in Fertilizer Plant.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company is continuously striving to follow best practices in conserving water by adopting various measures in all its operations to maximize water recycling using latest technology. Sewage is separately treated in Sewage Treatment Plants and utilized for irrigation purposes to reduce the demand for fresh water intake. The Company has implemented rain water harvesting projects inside the premises as well as off-site around the sites to conserve water and rejuvenate ground water by adopting ponds in the villages around which we operate. There has been a considerable reduction in terms of water, energy and raw material consumption year on year. The Company has achieved resource conservation in each such product, as below:

(i) Cement

- (a) In Cement plant, 16 % reduction in specific water consumption is achieved during the year as compared to previous year. The consumption of raw material Low grade Lime stone used in the Cement is also reduced by 9 % and specific energy consumption is reduced by 2.4 %. In addition to this, fly ash generated from captive power plants is utilized in-house in Cement manufacturing.

During the year, as part of continual improvement, Kota Complex followed IMS certification for ISO9001 (2015), ISO14001 (2015) and latest ISO45001 (2018) standard.

- (b) Cement (Pozzolona Portland Cement) used by the consumers is a fast strength gaining cement that results in saving water required for additional curing days when compared using other cement.
  - (ii) Fenesta TM Building Systems- UPVC doors and windows
    - (a) Energy consumption during usage by consumers for running air conditioners and similar appliances reduces substantially with UPVC windows/doors. As per "Energy Star (USA)" 25% to 50% of energy loss is through fenestration by air leakage, conduction and radiation. At Extrusion stage, waste generated is approx. 6% which is crushed, grounded and recycled into raw material for extruding profiles to utilize the waste gainfully reducing its environmental impact. During the year, the Company received following awards:  
Fenesta sites are certified for ISO9001 (2015), ISO14001 (2015) and ISO45001 (2018).
    - (b) UPVC doors and windows are energy efficient minimizing energy loss due to fenestration, and helps reduce energy bills by almost 7%-15%
  - (iii) Sugar
    - (a) As compared to the previous year, the treated effluent from ETP is utilized for greenbelt and cane farm irrigation, thereby reducing the demand for ground water extraction for irrigation. 100 % treated effluent from Distillery units is recycled into the process maintain Zero Liquid Discharge (ZLD).  
During the year, 6 % reduction in specific energy consumption and 27 % reduction in specific water consumption were achieved compared to previous year due to better average crush of cane and various water and energy reduction initiatives in our various sugar units.
    - (b) The Company puts continuous efforts in raising awareness among farmers to utilize water efficiently using best agricultural practices, non-chemical pest control and promoting use of bio-compost. This helps in providing better returns to farming community with increased productivity and saving water. In addition, it also enhances soil fertility, protect and preserve environment from undue chemicals.
  - (iv) Urea  
In Urea plant, during the year, 6 % reduction in water Consumption and 0.24% in energy consumption were achieved over the previous year. Specific consumption of key raw material Natural Gas was reduced by 5 % over the last year. GHG emission was further reduced by sourcing external CO2 for producing Urea. Approx. 9% of the total urea production during the year was produced using Agri-sourced CO2 resulting in reduced GHG emission.
3. Does the company have procedures in place for sustainable sourcing (including transportation)?
- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.  
100%.The Company continuously strives for sustainable sourcing and encourages traditional modes of transportation. Significant part of company's energy demand is met from agricultural waste (Bagasse). The Company also utilizes solar power for captive use partly. In sugar business, Sugarcane is being purchased from the small holder farmers which they grow in their respective fields. These sugarcane growers are member of Cooperative Cane Union and a Union of the farmers. Farmers are encouraged to transport the same using their own carts.

Farmers are regularly educated on good farming practices to produce sugarcane by using less irrigation water through trash mulching, trench planting, press mud application Laser land leveling and in addition using Bio-Control measures for controlling Pests and diseases in sugarcane crop. This has resulted in saving of approx. 299 Billion litres of water during the last financial year and overall 574 Billion litres of water in the last five years which were validated by Indian Institute of Sugarcane Research (IISR) during impact assessment carried out in 2019 and 2021 respectively.

For distillery, 100% of molasses was sourced from our own sugar mills with pipeline transfer at Hariawan & Ajbapur units for sustainable captive utilization and through road transport from other sugar mills. Also, we are recharging underground water in and around our factory locations by adopting rain water harvesting. The Company has been carrying out rain water harvesting in the catchment area of the sugar mills and distillery units using 111 ponds for ground water recharge. During the year approx. 23 Lac litres of water was recharged for ground water rejuvenation and more than 25000 saplings were planted during the year. Majority of raw material (sugarcane) is purchased from local farmers directly. Farmers are encouraged to transport the sugarcane using their own carts.

At Chemical complex at Kota, to meet the demand for mineral lime stone, an important raw material, for cement manufacturing, the Company procures low grade mineral lime stone from nearby villages, and utilizes calcium hydroxide sludge generated by its calcium carbide plant to meet the quality requirements. This has created a sustainable source close to the cement plant and resulted in employment and infrastructure development in the nearby villages. In addition, coal is received in rakes through rail transportation reducing road transportation thereby impacting positively on climate change mitigation. Furthermore, majority of the Urea & Cement are also transported through rail transportation. One of the key raw materials for Urea plant is Natural Gas which is transported through pipeline by Service Provider (GAIL). One of the main raw materials in Chlor-alkali manufacturing is salt which is obtained from nearby source at Dahej. In addition, the salt is also sourced from Bhavnagar. Thus, both these sources are capable of delivering raw material meeting the requirement both in terms of quality and quantity for sustainability of business. The Company organizes technical training for better yield and quality to encourage vendors for supply of quality materials. The Company encourages and prefers suppliers who work on environmental conservation in a positive manner.

One of the key raw material for Fenesta is PVC Resin which is procured 100% in-house from PVC Plant of the Company.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
  - (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?  
The Company prefers procuring raw material and services from local and small producers. For its sugar business, it extensively engages with farmers for procuring sugarcane which is a prime raw material for sugar. Several cane development initiatives are continuously undertaken like free training to farmers, enabling utilization of new agriculture technologies, educating farmers to increase yield, and company providing good quality seeds, bio-pesticides, bio-manure at subsidized rates to help improve soil fertility. Steps have been taken to facilitate services to the farmers by

developing local micro entrepreneurs. These entrepreneurs' help in providing custom hire services which range from field preparation to transportation of harvested crops. Furthermore, the transport of ethanol to the customers i.e. the Oil Marketing Companies (OMC) is outsourced to some small local players that are also included in the Logistic Service Providers.

In cement, as explained above, the Company procures low grade mineral limestone from nearby villages and then upgrades its quality by utilizing calcium hydroxide sludge. In general the Company undertakes vendor development programs from time to time to promote skills and development of local contractors and service providers through training and community development.

At majority of our sites, most engineering components and consumables are available locally with authorized distributors and dealers of specific brands. Items are sourced from them as per standard & negotiated terms & conditions.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

This has been explained in detail for major products already. In addition, the fly ash from power plant is also used in manufacturing cement. At carbide plant, the waste heat from flue gases is utilized to generate steam which is used in PVC & caustic soda plant. At PVC plant, steam condensate is used for cooling tower make-up. Low grade limestone which is a waste of mines is added to carbide sludge to produce cement. The Company focuses on effective integration of the basic philosophy of resource optimization, use of alternative sources and maximization of "recycle and reuse".

In Cement plant, utilization of calcium hydroxide sludge generated during the process of manufacturing Acetylene is used as substitute to fulfill raw material requirement. Effluent from Urea plant is recycled back to ammonia plant for using as Boiler Feed Water which is almost 9% of the total water consumption in the plant. During the year, 4 % reduction in specific water consumption was achieved over previous year. 100 % Fly ash from captive power plant is used in cement manufacturing within the Kota complex.

In sugar plants, entire press mud and ash are mixed for distribution to farmers as manure. During the financial year, molasses based distillery units at two of its Sugar sites is operated utilizing the molasses waste generated from sugar mill for producing Ethanol. In distillery unit, slop is mixed with bagasse which is used in boiler as a fuel. Its Ash is rich in Potash and readily usable as manure. Entire treated water from ETP in Sugar mills is utilized for irrigation and treated water from Distillery units is 100 % recycled in the distillery process thereby reducing net intake of fresh water.

At Company's Bharuch site, 100% waste chlorine is absorbed in caustic to produce sodium hypochlorite solution and Hydrogen gas is used in Caustic Soda Flaking plants, furnaces and boilers as alternate source of fuel leading to reduction in coal consumption and CO2 emission reduction. Sodium hypochlorite solution is an approved disinfectant which is widely being used as part of COVID pandemic prevention activities across our country. To efficiently utilize the waste, Dilute Sulphuric Acid (78-80%) generated from the caustic process plant is 100% recycled through utilization by nearby industries with approval from GPCB.

**Principle 3**

**Businesses should promote the wellbeing of all employees**

**1. Please indicate the Total number of employees.**

5323 as on March 31, 2021 (On payroll employees)

**2. Please indicate the Total number of employees hired on**

**temporary/contractual/casual basis.**

10461 as on March 31, 2021

**3. Please indicate the Number of permanent women employees.**

134 as on March 31, 2021

**4. Please indicate the Number of permanent employees with disabilities**

3 as on March 31, 2021

**5. Do you have an employee association that is recognized by management?**

The two employee unions at the Kota Plant of the Company are recognized

**6. What percentage of your permanent employees is members of this recognized employee association?**

Over 70% of the permanent employees at Kota Plant are the members of these unions.

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No case was reported on child labour, forced labour and involuntary labour. One sexual harassment case was reported during the year and has been closed by the Company's Internal Complaints Committee (ICC) constituted for the investigations and redressal of sexual harassment complaints.

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with Disabilities**

Safety and skill up-gradation training is a continuous process at DCM Shriram. As a policy all permanent employees are regularly provided basic safety training across the organisation. All employees of the company are encouraged to upgrade their knowledge and skills. The learning and training needs is shared between employees, their line managers and the HR function. All the company's permanent employees, including women and those with disabilities are covered.

Percentage of employees covered for safety and skill development training during the year are given below:

- (a) Permanent Employee: 100%
- (b) Permanent Women Employees : 100%
- (c) Casual/Temporary/Contractual Employees: (100%)
- (d) Employees with Disabilities: 100%

The company has 5 Star Rating By British Safety Council for Occupational Health & Safety Management for Kota Complex and Bharuch. Bharuch site is Responsible Care certified from Indian Chemical Council for its commitment towards highest standards of EHS performance. During the year, Hariawan site received International Safety award from British Safety Council for best safety performance and practices being followed in Sugar and Distillery unit.

**Principle 4**

**Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

**1. Has the company mapped its internal and external stakeholders?**

Yes/No

Yes

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes, the Company has a focused approach for identifying key

communities, their needs and prioritising interventions. The key communities for the Company comprise areas in the vicinity of its manufacturing sites. Criteria for selection of key community are based on Company's Core Values & Beliefs, neighbourhood, potential impact on society and benefit to the marginalised and underprivileged. Their needs are identified through various listening and learning methods, and are prioritised based on parameters that help balance both the needs of the community as well as Company's long term strategic growth. Please refer CSR Report forming part of the Annual Report.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

Yes. The Company follows an integrated development approach, specifically targeting the disadvantaged, vulnerable and marginalized stakeholders. DCM Shriram has consistently endeavored to focus on inclusive and collaborative growth, and all social initiatives aim to improve the quality of life, especially in areas near the Company's plants.

The Company also has an agriculture extension process through Shriram Krishi Vikas Kendra (SKVK) covering over 322 villages across 11 States with the objective of educating rural households on modern farming practices. The Company's Shriram Farm Solutions team is working in more than 10000 villages for identifying farmer needs and recommending them correct products for their crops.

The Company relentlessly enables better education, health care, agriculture/animal husbandry extension, better livelihood skills and employment for such stakeholders. The Company's CSR initiative in these villages also provides support to the education of girl children and scholarships to merit students. Spend on special programs and projects are undertaken under the Company's CSR initiatives. Please refer CSR Report forming part of the Annual Report.

**Principle 5**

**Businesses should respect and promote human rights**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Respect and human dignity is one of the core values of the Company. The Company's commitment to Human Rights permeates all its policies fostering fairness and dignity, treating everyone with respect, nurture understanding, empathy, care and trust in all relationships. The Company's commitment to human rights extends to all Companies in the DCM Shriram Family, joint ventures, suppliers, contractors and others.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

None with respect to human rights violation.

**Principle 6**

**Business should respect, protect, and make efforts to restore the environment**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

Being socially responsible, addressing the needs of the community and environment is one of the core values of the Company. The Company's commitment to environment permeates all its operations and encompasses all Companies in the DCM Shriram family and joint ventures. The Company encourages all its suppliers, contractors and others to have a strong focus on the environment.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes. As explained above, the Company focuses on resource conservation like clean water, reducing dependence on non-renewable energy sources, and promoting clean energy for its energy needs. Tree plantation and green belt development is undertaken in and around operating units. Studies are undertaken periodically to assess impact of operations on environment and biodiversity. As part of commitment towards conservation and sustainable management of biodiversity in the business operations, the Company is signatory of India Business Biodiversity Initiative (IBBI) by CII-ITC Centre of Excellence for Sustainable Development (CESD) and supported by Ministry of Environment, Forests and Climate Change (MoEFCC). Use of biomass for co-generation of power and steam is yet another initiative undertaken to mitigate global warming. During the year, 2855245 Tons of CO2 equivalent (tCO2e) emission was reduced due to generation of power using Bagasse which is a positive impact on the climate change mitigation. During the year we had produced alcohol from molasses and supplied alcohol for blending in petrol programme thereby increasing the content of biofuel in the polluting fuel and reducing the GHGs by 273713 tCO2e as a result of this initiative. During the year, specific energy consumption in our distillery units for alcohol manufacturing was reduced by 8% over previous year. In addition to this, we are also improving our GHG removal potential through our commitment to tree plantation and green belt development, thereby enhancing sequestration as an ongoing activity at all our sites inside as well outside the premises.

An integral part of our market approach is providing the correct information about optimal use of Agri inputs for cultivation, thereby reducing the impact on environment and economic loss to the farming community.

In addition to above, employees are encouraged to use Video conferencing and Teleconferencing to reduce travel to reduce GHG emission. Furthermore, campaigns to save energy, water, paper and reduce waste are also regularly organized to raise awareness across all levels of employees.

During the year, at Kota site, water consumption is reduced by 8% and Power consumption is reduced by 9% as compared to previous year. In Calcium Carbide plant, Carbon consumption per unit of Calcium Carbide product is reduced by 1.4% due to implementation of various improvement initiatives.

During the year, RO plant was commissioned at new Power plant to achieve Zero Liquid Discharge (ZLD) and also on-line emission monitoring system for SO2, NOx, PM & Hg was installed to reduce the stack emission through continuous monitoring and control.

In PVC Plant, during the year, specific energy consumption was reduced by 13%. PVC is used in pipes etc. that replaces ageing infrastructure resulting in reduced water losses in the end applications. Bulk transportation of PVC to PVC Compounding plant has resulted in elimination of HDPE bags usage that has reduced the GHG emission. Also fly ash is transported in Bulklers which resulted in reducing the no. of trucks while disposing the fly ash and hence saving fossil fuel thereby reducing GHG emission.

At Bharuch site, the Company is supplying Chlorine, Hydrogen, Caustic lye to the nearby customers through pipelines to reduce noise and air pollution due to movement of vehicles. Thus reducing truckloads of transportation during the year. This reduces consumption of equivalent diesel and thus Green house gas emission. Supply of Chlorine through pipeline to consumers in gaseous stage has resulted in energy saving that would have been required to convert liquid chlorine to gas while use in process by the consumers. The Company is using 100% washery washed salt that contains less impurities thus chemical consumption for their treatment is reduced and land requirement for the disposal of the precipitates is minimized. The unit has installed Sulphate Recovery

System (SRS) for further reducing the chemical consumption in brine purification process which will result in 30% sludge reduction and approx. 80% reduction in chemical consumption. We have implemented rain water harvesting projects outside our site in nearby villages to conserve water and rejuvenate ground water by implementing 35 rain water harvesting structures.

Direct impact of climate change on agriculture is being seen in the form of erratic and more frequent occurrence of extremely adverse weather conditions and significant changes in disease and insect pest spectrum. To address these challenges, Shriram Bioseed is focusing on development of new products with tolerance to drought, salinity, high & low temperature, water logging and insect pests & diseases, as relevant to specific crops and geographies.

Shriram Farm Solutions are bringing in the value chain climate resilient seed varieties and Bio stimulants for Indian farmers to address the environment challenges like global warming and climate change etc.

'Based on various sustainability initiatives and performance parameters, the company received 24th ranking among the top 200 India's most sustainable companies by The Business World during 2020.

(Company's Website: [www.dcmshriram.com](http://www.dcmshriram.com))

3. Does the company identify and assess potential environmental risks? Y/N

Yes. The Company has an integrated process of Enterprise Risk Management (ERM). Through the ERM process and SWOT (Strength Weakness Opportunity Threat) analysis potential Environment, Health and Safety (EHS) risks are identified at the level of each business. The identified risks are assessed, and relevant action plans prepared and implemented for risk mitigation. Majority of our manufacturing sites are certified under ISO 14001:2015 and has identified the potential environmental risks. Environmental Impact Assessment of the existing operations and upcoming projects are conducted by NABET approved consultants & agencies. The necessary Environment Management Programs have been identified to mitigate these risks and their implementation is monitored at the senior most level.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? No, there was no Clean Development Project undertaken during the year.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.

Yes. Initiatives are continuously taken for clean technology and energy efficiency. In addition to those explained already, the following initiatives are taken during the year:

At Kota site

- In caustic soda plant
  - Optimization of Cooling Tower Pump operation
  - Conventional lights replacement by LED lights
  - Stoppage of additional product transfer pump in HCl section and Brine House
  - Efficient operation of pumps in Flaker Plant
  - Conventional light replacement by LED lights
  - Replacement of Motor of Hypo Pump with energy efficient motor in SBP Plant
- Power Plant: Recently commissioned a new efficient 66 MW power plant
- Use of biomass in boilers as non-conventional energy resource
- In Cement plant, VFD's installed at Cooler vent fan, Jet air fan and optimization of cooler ESP At Bharuch site

- Installation of zero gap technology electrolyzers for saving energy
- Energy efficiency improvement by installing VFD's in Induced Draft and Primary Air fans
- Hydrogen is being used a fuel in flaker, furnaces, power plant and also being supplied to neighboring industries to reduce the equivalent carbon footprints
- Use of biomass in boilers as non-conventional energy resource
- Supply of Chlorine through pipeline to consumers in gaseous stage has resulted in energy saving that would have been required to convert liquid chlorine to gas while use in process by the consumers
- Supply of steam through pipeline has reduced the requirement of all necessary requirements to produce steam at consumer's end

At Sugar Site

- Hydrogen is being used a fuel in flaker, furnaces, power plant and also being supplied to neighboring industries to reduce the equivalent carbon footprints
- Supply of Chlorine through pipeline to consumers in gaseous stage has resulted in energy saving that would have been required to convert liquid chlorine to gas while use in process by the consumers
- Supply of steam through pipeline has reduced the requirement of all necessary requirements to produce steam at consumer's end
- At Sugar Sites
- Replacement of high wattage conventional HPSV/MV/CFL lights by Low wattage LED light fittings.
- Installation of VFD in place of conventional drives.
- Use of Biomass for energy generation as non-conventional energy resource
- Commissioning of integrated Distillation plant at Ajbapur  
(Company's Website: [www.dcmshriram.com](http://www.dcmshriram.com))

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, all prescribed norms are complied with.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL.

#### Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. The Company is a member of the following major associations:

- a. Federation of Seed Industry of India (FSII)
- b. Confederation of Indian Industry (CII)
- c. Indian Chemical Council (ICC)
- d. Federation of Indian Chamber of Commerce and Industries (FICCI)
- e. PHD Chamber of Commerce and Industries (PHDCCI)
- f. Fertilizer Association of India (FAI)
- g. International Fertilizer Association (IFA).
- h. Cement Manufacturing Associations (CMA)
- i. Chemicals and Petrochemicals Manufacturers' Association (CPMA)
- j. Federation of Indian Exporters Organisation (FIEO)
- k. Indian Sugar Mills Association (ISMA)
- l. Alkali Manufacturers Association of India (AMA)
- m. All India Distillers' Association (AIDA)
- n. National Safety Council (NSC)

- o. Gujarat Safety Council (GSC)
  - p. Disaster Prevention and Emergency Centre, Jhagadia
  - q. Jhagadia Industrial Association (JIA)
  - r. UP Sugar Mills Association (UPSMA)
  - s. Crop Care Federation of India (CCFI)
  - t. uPVC Window and Door Manufacturers Association (UWDMA)
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
- Yes. The broad areas are: Governance and Administration, Economic Reforms, Water Policy, Labour Reforms, Ease of doing business, Sugarcane Policy, Skill Development.

### Principle 8

Businesses should support inclusive growth and equitable development

1. Does the company have specified programs /initiatives/projects in pursuit of the policy related to Principle 8? If yes details there of.

Yes, our CSR projects are designed to provide Inclusive growth & equitable development for marginalized members of the community. The Company's approach and projects are given in the CSR policy (<https://www.dcmshriram.com/sites/default/files/CSR-policy.pdf>) Social projects implemented in 2020-21 and project wise CSR expenditure is given in the CSR report forming part of this Annual report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The mode of implementation includes a combination of direct implementation through DCM Shriram Ltd and DCM Shriram Foundation. The CSR programs are implemented like any other business activity, in a time-bound manner with clear objectives, plan, targets and robust monitoring and evaluation parameters.

The Company has an in-house team of CSR professionals deputed at all locations – Delhi (Corporate) Rajasthan (Kota), Uttar Pradesh (Hardoi and Lakhimpur Kheri, Gujarat (Bharuch). These teams interact with the community, village leaders and District Administration to assess the needs basis which the implementation & monitoring of the projects are undertaken in partnership with NGO partners.

3. Have you done any impact assessment of your initiative?

Yes, in FY 2020-21 the Company undertook third party impact assessment for the Khushali Sehat program which is a flagship CSR program of company in the area of Preventive healthcare. For details, please refer to CSR Report forming part of this Annual Report.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

In FY 2020-21, the company spent Rs. 20.11 Cr as part of its CSR initiatives. For details, please refer to CSR Report forming part of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

With the onset of COVID-19 Pandemic we have acted promptly in connecting and working in alignment with the state & local administrations to help the community in this unprecedented time. We have re-calibrated our existing CSR programs to suit the needs of our communities.

Our CSR programs are identified keeping in mind the need of the community, strengths and capabilities of our Business teams as well as Government priorities specific to the concerned geography in which the program is to be implemented. At present the Company focuses on the following four pillars – Preventive Healthcare and Sanitation, Education, Vocational Skills and Livelihood; Environment Sustainability and Rural Development.

CSR programs of the Company have a well defined component on community adoption and sustenance. The Company is striving for a favorable behavioral change among communities in the areas around its operations in regards to the CSR interventions. To bring about the change in behavior and build capabilities of the community, the Company has tied with a local grass root NGOs. These NGOs engage with the community and educate them on regular basis i.e. for ODF, sanitation preventive healthcare and maintaining the common community assets constructed by the Company.

The Company received following awards and recognitions for various initiatives:

- ISC - FICCI Sanitation Award for Shriram Swachhagraha.
- UNWEP award for undertaking exemplary efforts in COVID19 pandemic for women beneficiaries
- DCM Shriram, Kota rewarded by Block Development Officer(BDO), Sangod and by BDO, Itawa for undertaking COVID19 relief activities.
- SAC Bharuch rewarded by Bharuch Municipality for their support in COVID19

### Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Considering normal turnaround time required for resolution of consumer complaints, all the complaints have been resolved during the year for all the businesses up to the customer satisfaction.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Yes. Additional information relevant to consumers is displayed, to enable the consumers derive higher value and ensure appropriate use. Additional information relating to safe handling, directions of use of products and specific certifications obtained by the Company, is also provided wherever applicable. The guiding approach in making disclosures is transparency and empowerment of the consumers. The company displays product information on the product label as per local laws. For example, in case of Calcium Carbide, apart from product information the message of non-usage of carbide for fruit ripening is also displayed clearly.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on the end of financial year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Consumer feedback is valued by the Company and it actively engages with consumers both through formal and informal mechanisms like surveys, direct feedback taken by sales teams and plant personnel, one to one meetings, dealer get together and the like. Consumer surveys and channel satisfaction surveys are routinely carried out to fine tune operational strategies.

# Board's Report

The Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report of the Company along with Audited Financial Statements, both standalone and consolidated, for the year ended 31<sup>st</sup> March, 2021.

## Financial Highlights

The results for the year ended 31.3.2021 and 31.3.2020 are as under:

(Rs. in Crores)

Particulars	Standalone		Consolidated	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
Revenue from operations	8,211.99	7,671.96	8,308.16	7,767.13
Profit before finance cost, depreciation and tax	1,227.42	1,298.29	1,244.28	1,294.87
Profit before exceptional item and tax	875.77	923.30	889.17	912.01
Exceptional item	-	-	-	14.76
Profit after tax	662.48	743.67	672.26	719.42
Share of profit/(loss) of joint venture	-	-	1.73	2.78
Non-controlling interest	-	-	(0.71)	(5.49)
Other comprehensive income (after tax)	6.84	(10.42)	4.39	(11.98)
Total comprehensive income (after tax)	669.32	733.25	677.67	704.73
Basic/Diluted - EPS (Rs. per equity share)	42.48	47.69	43.17	45.96
Retained earnings- opening balance	4,072.45	3,517.72	3,963.29	3,436.17
Add/(less):				
Profit for the year	662.48	743.67	673.28	716.71
Dividends paid during the year	(85.77)	(184.24)	(85.77)	(184.24)
Others	6.53	(4.70)	9.12	(5.35)
Retained earnings - closing balance	4,655.69	4,072.45	4,559.92	3,963.29

## State of Company's Affairs/Performance

The overall operating and financial performance of the Company was stable, in a year which had significant uncertainties driven by Covid-19 pandemic. Q1 FY'21 earnings were low because of nationwide lockdowns, however post easing of lockdowns the overall business performance improved. The Agri and related businesses were not impacted by lockdowns, Sugar and Shriram Farm Solutions business delivered good growth led by volumes and enhanced product portfolio. In Chloro-vinyl business, Chemicals was impacted by lower realisations and volumes, however the Vinyl (PVC & Carbide) witnessed strong realisations that helped mitigate the impact. Fenesta business witnessed de-growth as operations were impacted in Q1 but recovered well during H2 of FY'21.

The Company's total revenues from operation at a standalone level stood at Rs.8,212 Crores in FY21 vs. Rs.7,672 Crores last year. Revenue of Sugar business was up by 34% led by higher sugar domestic and export volumes and higher ethanol volumes. Vinyl business also registered a growth in revenue of about 32% driven by higher realizations for PVC. Shriram Farm Solutions also registered a 13% increase in revenue. Revenue of Chemicals business was down by 26% driven mainly by lower realizations and volumes.

Profit before depreciation, interest and tax, declined to Rs.1,227 Crores down ~5% over last year. The same was down ~4% on a consolidated basis. This decline was led by ~48% decline in PBDIT of Chlor-Alkali business due to lower realizations and volumes. Plastics business recorded an increase of ~157% driven by higher realizations. Sugar business recorded an increase of ~11% in PBDIT led by higher volumes of

Sugar and Ethanol. Agri-input business of Shriram Farm Solutions recorded ~60% growth in PBDIT led by better volumes and margins for value added business. Bioseed, Fenesta, Fertilizer and Cement businesses registered de-growth in PBDIT. Overall PBDIT margins declined to ~15% from ~17% last year mainly due to lower margins in Chlor-Alkali business due to lower realizations and lower volumes.

Net Profit on standalone basis for FY21 was down by 11% to Rs.662 Crores from Rs.743 Crores in FY20. It was lower by ~6% on a consolidated basis. Net Debt as on March 31, 2021 stood at Rs. 180 Crores vis-à-vis Rs. 1623 Crores as on March 31, 2020. Net Debt to equity stood at 0.04x as on March 31, 2021 vs 0.40x as on March 31, 2020.

The Company commissioned following projects in FY '21 at an investment of ~ Rs. 35 Crores:

- Stable Bleaching Powder expansion project (43 TPD) at Kota was commissioned in March'2021 at an expenditure of ~ Rs. 10 Crores.
- Country Liquor project (6400 cases per day) was commissioned in March '21 at Hariawan Sugar unit at an expenditure of ~ Rs. 25 Crores.

New Projects – The following projects are currently underway (at Bharuch Chemical Complex):

- 120 MW coal based new power plant is underway and is expected to be commissioned in Q4 FY'22.
- Hydrogen Compressors with total capacity of 60398 NM3 per day expected to be commissioned in Q1 FY'22.
- During the year, the Board has approved projects worth Rs. 1000 Crores and are progressing as per plan. The projects include:
  - Hydrogen Peroxide facility with a capacity of 52500 TPA,
  - Epichlorohydrine (ECH) facility with a capacity of 51000 TPA along with Glycerin purification facility,
  - Expansion of Anhydrous Aluminum Chloride capacity by 32850 TPA,
  - A multipurpose Product Research & Development Center.
- The decision on implementation of 700 TPD Caustic Soda plant and 500 TPD flaker will be taken in due course.

## Dividend

Your Directors are pleased to recommend a final dividend @ 190% i.e. Rs.3.80/- per equity share of Rs.2/- each for the year ended 31.3.2021, which if declared by the Members, the total dividend for the financial year 2020-21 will aggregate to 465% i.e. Rs.9.30/- per equity share of Rs.2/- each (including an interim dividend @ 275% i.e. Rs.5.50 per equity share paid during the year).

Further, as per the requirement of Regulation 43A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 [SEBI Listing Regulations, 2015], Dividend Distribution Policy of the Company approved by Board is attached as Annexure-1 to this Board's Report.

## Number of Meetings of the Board

The Board met 6 times during the financial year on 19.5.2020, 3.6.2020, 21.7.2020, 22.7.2020, 20.10.2020 & 19.1.2021.

### Report on Performance and Financial Position of Subsidiaries, Associate and JV Company

The details regarding the performance and financial position of Company's Subsidiaries, Associate and JV are given in Annexure-2 of this Board's Report.

As on the date of this report:

- (i) The liquidation of Shriram Bioseed (Thailand) Limited, a step down subsidiary of the Company, and
- (ii) The merger of Bioseeds Limited, Mauritius into Shriram Bioseed Ventures Limited (both wholly owned subsidiaries of the Company) are under process.

### Risk Management Framework

The Company has in place a Risk Management Framework which is updated periodically to make it more contemporary and suit the requirements of changing business scenarios and regulations. The current Risk Management Framework was approved by the Board on 23.7.2019 after it was reviewed and recommended by the Risk Management Committee and Audit Committee. The said framework includes risk identification, assessment, response and monitoring system for mitigation of risk.

### Company's Policy on Directors' Appointment and Remuneration

The criteria for Directors' appointment has been set up by the Nomination, Remuneration and Compensation Committee (NRCC), which, inter-alia, includes criteria for determining qualifications, positive attributes, independence of a Director, basis/criteria of remuneration to Directors/KMPs and other matters provided under Sub-section (3) of Section 178 of the Companies Act, 2013.

The Company has a remuneration Policy in place which deals in the remuneration of the Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs) and other employees of the Company. The remuneration policy of the Company is available on the Company's website at the following web link :

[https://www.dcmshriram.com/sites/default/files/Remuneration%20Policy\\_0.pdf](https://www.dcmshriram.com/sites/default/files/Remuneration%20Policy_0.pdf)

### Corporate Social Responsibility (CSR)

The details of the programs/activities undertaken as CSR, Annual Report on CSR activities and the composition of CSR Committee are provided in a separate section, which forms part of this Board's Report. The Company has a policy on CSR which includes the guidelines on the major area in which the Company engages itself with the CSR activities/projects and the manner of implementation and monitoring the activities/projects. The composition of CSR Committee, CSR policy and details of activities/projects approved by the Board are available on the Company's website at the following web link:

<https://www.dcmshriram.com/social-responsibility>

### Business Responsibility Report

In compliance with SEBI Listing Regulations, 2015, Business Responsibility Report (BRR) forms part of this Annual Report and is provided in a separate section. The report, inter-alia, describes the initiatives taken by the Company from environmental, social and governance perspective.

### Vigil Mechanism/Whistle Blower Policy

The Company has established a Vigil Mechanism/Whistle Blower Policy as per the requirement of the SEBI Listing Regulations, 2015 and the Companies Act, 2013, which is available on the Company's website at the following web link:

<https://www.dcmshriram.com/sites/default/files/VIGIL%20MECHANISM%20-WHISTLE%20BLOWER%20POLICY-converted%20%281%29.pdf>

### Internal Complaint Committee on POSH

The Company has complied with the provisions relating to constitution of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH"). One case was reported on sexual harassment during the year, which has been disposed off. There are no complaints pending at the end of financial year under review.

### Cost Records

The Company is required to maintain Cost Records as directed by the Central Government pursuant to Section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are made and maintained by the Company.

### Related Party Transactions

During the year, there has been no materially significant related party Transaction between the Company and its related parties which requires disclosure in Form AOC-2.

The Company has formulated a Policy on dealing with Related Party Transactions, which is available on the Company's website at the following web link:

[https://www.dcmshriram.com/sites/default/files/Related%20Party%20Transaction%20Policy%20-%20FINAL\\_0.pdf](https://www.dcmshriram.com/sites/default/files/Related%20Party%20Transaction%20Policy%20-%20FINAL_0.pdf)

### Material Subsidiary Policy

The Company has formulated a Policy for determining 'Material' Subsidiaries, which is available on the Company's website at the following web link:

<https://www.dcmshriram.com/sites/default/files/MATERIAL%20SUBSIDIARY%20POLICY%20-%20FINAL.pdf>

### Particulars of Loans, Guarantees or Investments

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 and relevant rules thereunder are given in the notes to Financial Statements.

### Fixed Deposits

1. The details relating to deposits, covered under Chapter V of the Companies Act, 2013:
  - a) accepted including renewals during the year: Rs.8,08,21,821/-
  - b) remained unclaimed as at the end of the year : Rs.1,97,248/-
  - c) there has been no default in repayment of deposits or payment of interest thereon during the financial year ended on 31<sup>st</sup> March, 2021.
2. All the deposits are in the Compliance with the requirements of Chapter V of the Companies Act, 2013.

### Internal Financial Control with respect to Financial Statements

The Company has in place adequate Internal Financial Controls with respect to financial statements. No material weakness in the design or operation of such controls was observed during the year.

### DCM Shriram Employee Stock Purchase Scheme

The Company has an Employee Stock Purchase Scheme (DCM Shriram ESPS) duly approved by Members, vide Special Resolution passed on August 13, 2013 and later aligned in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014. DCM Shriram ESPS provides for grants of equity shares through Trust, purchased from secondary market, to the eligible Employees as may be decided by the



Nomination, Remuneration and Compensation Committee from time to time. DCM Shriram ESPS is a secondary market scheme and hence no fresh issue of shares was made. There are no voting rights exercised on the shares held by the Trust. Further, there are no material changes in the DCM Shriram ESPS and it is in compliance with the applicable regulations. The details required as per SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the Company's website at the following web link:

<https://www.dcmshriram.com/sites/default/files/ESPS%20Disclosure%20-%202020-21.pdf>

#### Directors and Key Managerial Personnel (KMP)

Mr. Ajit S. Shriram and Mr. K.K. Sharma, Directors liable to retire by rotation at the ensuing Annual General Meeting (AGM), and being eligible, offer themselves for re-appointment.

Approval for re-appointment of Mr. K.K. Kaul, Whole Time Director, is being sought in the ensuing AGM of the members of the Company for a period of 2 years w.e.f. 2.7.2021 as recommended by NRCC and Board.

Approval for re-appointment of Justice (Retd.) Vikramajit Sen, Non-Executive Independent Director, is being sought in the ensuing AGM of the members of the Company for second term of 5 consecutive years w.e.f. 9.8.2021 as recommended by NRCC and Board. The existing term of Justice Sen is upto 8.8.2021.

Approval for re-appointment of Mr. Pravesh Sharma, Non-Executive Independent Director, is also being sought in the ensuing AGM of the members of the Company for second term of 5 consecutive years w.e.f. 9.8.2021 as recommended by NRCC and Board. The existing term of Mr. Sharma is upto 8.8.2021.

During the year, Mr. Sharad Shrivastva, Director nominated by LIC of India (LIC), on the Board of the Company, has retired from LIC and also resigned from the directorship of the Company w.e.f. 7.8.2020. Thereafter, LIC had nominated Ms. Sarita Garg as its nominee on the Board of the Company. Ms. Garg was appointed by the Board on 20.10.2020 as an Additional Director to hold office till the date of ensuing AGM. The appointment of Ms. Sarita Garg, as Director is being sought for the approval of Members in the ensuing AGM.

The requisite details in connection with the appointment / re-appointment of Directors as above are provided in the Notice of said AGM.

The Company has received declaration from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the said Act and Regulation 16 of SEBI Listing Regulations, 2015.

The details of familiarization programme for Independent Directors are available on the Company's website at the following web link:

<https://www.dcmshriram.com/sites/default/files/Familiarization-Programme-for-Independent-Director-2020-21.pdf>

During the year, Mr. Amit Agarwal was appointed as Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company w.e.f. 1.11.2020 in place of Mr. J.K. Jain who retired from the services of the Company from the close of 31.10.2020 after a distinguished service of nearly 30 years.

#### Manner & Criteria of formal annual evaluation of Board's performance and that of its Committees and Individual Directors

In compliance with requirements of the Companies Act, 2013 and SEBI Listing Regulations, 2015 the formal annual performance evaluation of the Board, its Committees and Individual Directors has been conducted as under:

A. Manner of evaluation as recommended to the Board by the Nomination, Remuneration and Compensation Committee ("NRCC")

1. The Chairman of the Board consulted each Director separately about the performance of Board, Committees and other Directors and sought inputs in relation to the above. The Chairman then collated all the inputs and shared the same with the Board.
2. In respect of the evaluation of Chairman of the Board, the Chairman of NRCC collated the inputs from Directors about his performance as a Director and as Chairman of the Board and the Member of the Board Committees and shared the same with the Board.

The Board as a whole discussed the inputs on performance of Board/Committees/Individual Directors and performed the evaluation.

B. Criteria of evaluation as approved by the NRCC

The aforesaid evaluation was conducted as per the criteria laid down by the NRCC as follows:

Performance of	Evaluation Criteria
(i) Board as a whole	<ul style="list-style-type: none"> <li>• Structure of Board including Composition/Diversity /Process of appointment/qualifications/experience, etc;</li> <li>• Fulfillment of functions of the Board (for instance guiding corporate strategy, risk policy, business plans, corporate performance, monitoring Company's governance practices etc., as per the Companies Act and Listing Regulations);</li> <li>• Meetings of Board (Number/Manner of board meetings) held during the year including quality/quantity/timing of circulation of agenda for Board Meetings, approval process/recording of minutes and timely dissemination of information to Board; and</li> <li>• Professional Development and Training of Board of Directors as required.</li> </ul>
(ii) Board Committees	<ul style="list-style-type: none"> <li>• Composition of Committee;</li> <li>• Fulfillment of functions of the Committee with reference to its terms of reference, the Companies Act and the Listing Regulations; and</li> <li>• Number of Committee meetings held during the year.</li> </ul>
(iii) Individual Directors	<ul style="list-style-type: none"> <li>• Fulfillment of responsibilities as a director as per the Companies Act, the Listing Regulations and applicable Company policies and practices;</li> <li>• In case of the concerned director being Independent Director, Executive Director, Chairperson of the Board or Chairperson or member of the Committees, with reference to such status and role;</li> <li>• In case of Independent Directors fulfillment of the independence criteria as specified under applicable Regulations and their independence from the management;</li> <li>• Board and/or Committee meetings attended; and</li> <li>• General meetings attended.</li> </ul>

### Particulars of Employees and Managerial Remuneration

The details required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of Directors, KMPs and other employees of the Company, are given in Annexure-3 of this Board's Report.

However, in terms of Section 136(1) of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the Statement of Particulars of Employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended. The said statement is available for inspection by the Members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting.

### Composition of Audit Committee

As on the date of this report, the Audit Committee comprises of 4 Non-Executive Independent Directors, viz., Mr. Pradeep Dinodia as Chairman and Ms. Ramni Nirula, Mr. Sunil Kant Munjal & Mr. Pravesh Sharma as Members.

### Composition of other Committees

Details regarding Composition of other Committees of the Board are mentioned in the Corporate Governance Report forming part of this Annual Report.

### Annual Return

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return of the Company is available on the Company's website at the following web link:-

<https://www.dcmshriram.com/annual-reports>

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure-4 of this Board's Report.

### Secretarial Audit Report

The Board appointed M/s. Sanjay Grover & Associates, Company Secretaries, to conduct the Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the above financial year is attached as Annexure-5 to this Board's Report. The Secretarial Audit Report does not contain any qualification or reservation or adverse remark or disclaimer.

### Secretarial Standards

The Company is in Compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

### Corporate Governance

The Company is committed to adhere to best corporate governance practices. The separate sections on Management Discussion and Analysis, Corporate Governance and a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI Listing Regulations, 2015 forms part of this Annual Report as a separate section.

### Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013, the Statutory Auditors of the Company, M/s. Price Waterhouse Chartered Accountants LLP (FRN No.012754N/N500016) were appointed by the Members in its 28<sup>th</sup> Annual General Meeting (AGM) held on 1.8.2017 for a period of five years i.e. from the conclusion of 28<sup>th</sup> AGM till the conclusion of 33<sup>rd</sup> AGM.

The Report given by the Statutory Auditors on the financial statements of the Company is part of the Annual Report. The report is unmodified and there are no qualification, reservation, adverse remark or disclaimer in the Report.

### Directors' Responsibility Statement

Your Directors state that:

- in preparation of annual accounts for the year ended 31<sup>st</sup> March, 2021, the applicable accounting standards have been followed and there are no material departures;
- 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 31<sup>st</sup> March, 2021 and of the profit of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls as followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Significant and material orders

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

### Industrial Relations

The Company continued to maintain harmonious and cordial relations with its workmen in all its divisions, which enabled it to achieve this performance level on all fronts.

### Acknowledgements

The Directors wish to thank Customers, the Government Authorities, Financial Institutions, Bankers, Other Business Associates/Stakeholders and Members for the co-operation and encouragement extended to the Company. The Directors also place on record their deep appreciation for the contribution made by the employees at all levels.

On behalf of the Board

New Delhi  
4.5.2021

AJAY S. SHRIRAM  
Chairman & Senior Managing Director  
DIN: 00027137

## Annexure - 1

### DCM SHRIRAM LIMITED : NEW DELHI

#### Dividend Distribution Policy

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), DCM Shriram Limited (“the Company”) is disclosing its Dividend Distribution Policy (“Policy”).

At present the Company has only one class of shares Viz. Equity Shares.

The Company strives for sustained and consistent growth, strong financial structure and stable dividend payout. In considering dividend matters, the Board keeps in forefront balancing the needs for creation of long term value & growth and the need for a periodic & stable return through dividend. The Board considers the feasibility of dividend both annually as well as during the year for feasibility of any interim declaration.

While recommending/declaring the dividend, the Board evaluates diverse financial and strategic parameters including planned investments and expenditure, expansion plans, retained earnings & profit for the year, prevailing cost of funds, Company's cash flow, borrowings, taxation & statutory requirements and prevailing market & macro economic conditions in general and the interests of all stakeholders besides shareholders.

This document only outlines the policy and factors, the Board keeps in view and is not intended to be a commitment or guarantee of dividend payment by the Company either annually or otherwise.

Performance and financial position of Company's Subsidiaries and Joint Ventures

AOC - 1 - Part "A" : Subsidiaries

Name of the subsidiary	DCM Shriram Credit and Investments Ltd. (1)	DCM Shriram Foundation (2)	Hariyali Rural Ventures Ltd. (3)	Shriram Bloseed Ventures Ltd. (4)	Bloseed India Ltd. (5)	DCM Shriram Infrastructure Ltd. (6)	DCM Shriram Aqua Foods Ltd. (7)	Fenesta India Ltd. (8)	Shri Ganpati Fertilisers Ltd.* (9)	Shridhar Shriram Foundation (10)	Shriram Bloseed (Thailand) Ltd. (11)	Bloseed Research USA INC. (12)	Bloseed Holdings Pte. Ltd. (13)	Bloseed Research Philippines INC (14)	Bloseed Vietnam Ltd.** (15)	Bloseed Ltd. (Mauritius) (16)
The Date since when the subsidiary was acquired.	12-05-1993	30-11-2007	18-12-2007	30-06-2007	20-07-2000	12-12-2003	12-06-1995	18-12-2008	27-03-2008	02-09-2010	16-06-2006	12-07-2012	31-01-2009	16-07-2002	20-03-2008	16-07-2002
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	USD RS. 73.12/ USD	USD RS. 73.12/ USD	USD RS. 73.12/ USD	USD RS. 73.12/ USD	USD RS. 73.12/ USD	USD RS. 73.12/ USD
Share capital	9.00 (4.32)	0.01 (0.06)	1.00 (1.02)	4.05 17.15	0.10 (0.06)	0.05 (32.11)	8.35 (5.05)	0.05 (0.002)	- (0.02)	0.05 (0.02)	28.99 (28.97)	0.002 0.01	106.29 (239.31)	52.58 (17.72)	- (1.59)	- (19.82)
Other Equity	12.24	0.08	3.22	205.14	0.04	0.12	3.32	2.49	-	0.03	0.02	0.02	64.43	89.91	-	113.61
Total assets	7.56	0.13	3.24	183.94	-	32.18	0.02	2.44	-	-	-	0.01	197.45	55.05	-	118.49
Investments	2.09	-	-	54.64	-	-	-	-	-	-	-	-	41.92	-	-	-
Turnover	0.75	1.19	0.02	19.04	-	0.14	0.86	0.53	-	-	-	-	94.34	1.59	-	-
Profit/(loss) before taxation	0.22	(0.01)	-	(1.43)	(0.005)	(0.09)	0.07	(0.41)	3.82	-	-	(0.02)	(12.86)	12.05	(3.13)	(6.07)
Provision for taxation	-	-	-	-	-	0.01	0.03	(0.11)	-	-	-	-	-	3.28	0.42	0.10
Profit/(loss) after taxation	0.22	(0.01)	-	(1.43)	(0.005)	(0.10)	0.04	(0.30)	3.82	-	-	(0.02)	(12.86)	8.77	(3.55)	(6.17)
Other Comprehensive income	0.90	-	-	-	-	-	-	-	-	-	-	-	-	0.12	0.20	-
Total Comprehensive income	1.12	(0.01)	-	(1.43)	(0.005)	(0.10)	0.04	(0.30)	3.82	-	-	(0.02)	(12.86)	8.89	(3.35)	(6.17)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	81.41%	100.00%	99.99%	100.00%	100.00%	100.00%	100.00%	100.00%

Notes:

- In case of foreign subsidiaries, the assets and liabilities have been translated into Indian Rupees at the closing exchange rate at the year end and whereas statement of profit and loss numbers have been translated into Indian Rupees at average exchange rate for the year.
  - Names of subsidiaries which are yet to commence operations : NIL
  - Names of subsidiaries which have been struck off/liquidated during the year : NIL
- \*Ceased to be subsidiary w.e.f. 19.5.2020  
 \*\*Ceased to be subsidiary w.e.f. 31 st July 2020

## DCM SHRIRAM LIMITED : NEW DELHI

### AOC -1 - Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Joint Venture Company	Shriram Axiall Pvt. Ltd.
Latest audited Balance Sheet date	31.3.2021
Date on which the Associate or Joint Venture was associated or acquired	10 <sup>th</sup> April, 2014
No. of Shares of Joint Ventures held by the Company at the year end	17,32,500
Amount of Investment in Joint Venture	Rs. 3.42 Crores
Extent of Holding %	50%
Description of how there is significant influence	Joint Venture, having 50% control of the total paid-up share capital of the Company
Reasons why the joint venture is not consolidated	N.A.
Networth attributable to Shareholding as per latest audited Balance Sheet	Rs. 26.19 Crores
Total Comprehensive Income/(Loss) for the year	-
i. Considered in Consolidation	Rs. 1.66 Crore
ii. Not Considered in Consolidation	Nil

Notes :

- Names of joint ventures which are yet to commence operations : Nil
- Names of joint ventures which have been liquidated or sold during the year : Nil

Sameet Gambhir  
Company Secretary

Amit Agarwal  
Chief Financial Officer

Pradeep Dinodia  
Director  
DIN : 00027995

Ajay S. Shriram  
Chairman & Senior Managing Director  
DIN : 00027137

## Annexure - 3

### Information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended

(I) (a) **The percentage increase in remuneration of each Director during the financial year 2020-21 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 :**

S. No.	Name of Director and Designation	% increase in Remuneration in the financial year 2020-21	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Ajay S. Shriram Chairman & Senior Managing Director & KMP	7.24%	183:1
2.	Mr. Vikram S. Shriram Vice Chairman & Managing Director	7.61%	180:1
3.	Mr. Ajit S. Shriram Joint Managing Director	9.69%	167:1
4.	Mr. K.K. Kaul Whole Time Director	(2.36%)	48:1
5.	Mr. K.K. Sharma Whole Time Director (EHS)	1.44%	19:1
6.	Mr. Pradeep Dinodia Non-Executive Independent Director	2.68%	16:1
7.	Mr. Vimal Bhandari Non-Executive Independent Director	24.61%	8:1
8.	Mr. Sunil Kant Munjal Non-Executive Independent Director	35.87%	10:1
9.	Ms. Ramni Nirula Non-Executive Independent Director	15.68%	9:1
10.	Mr. Pravesh Sharma Non-Executive Independent Director	21.21%	10:1
11.	Justice (Retd.) Vikramajit Sen Non-Executive Independent Director	17.65%	7:1
12.	Mr. Sharad Srivastva*/Ms. Sarita Garg* Nominee Director(LIC)	9.49%	6:1

\* Remuneration paid to LIC of India. Further, during the year, Mr. Sharad Shrivastva, Director nominated by LIC of India (LIC), on the Board of the Company, has retired from LIC and also resigned from the directorship of the Company w.e.f. 7.8.2020. Thereafter, LIC had nominated Ms. Sarita Garg as its nominee on the Board of the Company w.e.f. 20.10.2020.

(b) **The percentage increase in remuneration of Chief Financial Officer and Company Secretary during the financial year 2020-21 :**

S. No.	Name of KMP and Designation	% increase in Remuneration in the financial year 2020-21
1.	Mr. J.K. Jain* Chief Financial Officer & KMP	68.46% <sup>#</sup>
2.	Mr. Amit Agarwal** Chief Financial Officer & KMP	N.A.
3.	Mr. Sameet Gambhir Company Secretary & KMP	7.03%

\* Retired as Chief Financial Officer & KMP on 31.10.2020.

\*\*Joined as Chief Financial Officer & KMP w.e.f. 1.11.2020.

# Includes retiral benefits.

- (ii) In the financial year 2020-21, there was an increase of 0.25% in the median remuneration of employees.
- (iii) There were 5323 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2021.
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 1.68% whereas the increase in managerial remuneration for the same financial year was 7.79%.
- (v) Affirmation :  
It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

Place : New Delhi  
Date : 4.5.2021

AJAY S. SHRIRAM  
Chairman & Senior Managing Director  
DIN : 00027137

## Annexure - 4

### Particulars of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required under the Companies (Accounts) Rules, 2014.

#### A) Conservation of Energy

- i. the steps taken and/or impact on conservation of energy;

##### SFC Complex - Kota

##### Fertiliser

- An Additional Methanater Heat Exchanger was installed in Ammonia Plant in Apr.'20. This has given a saving of 0.014 Gcal/MT Urea i.e. 562 MTOE/annum.

##### Power

- Optimization of cooling water pumps in 66MW by impeller trimming of all CW pumps as the pumps were having margins in discharge head. Saving of 350 Kw/hr achieved resulted into energy saving of 854 MTOE/annum.
- Optimization of Boiler Feed pumps in 66MW by removing one stage in all the 3 Boiler Feed pumps as the pumps were having margins in discharge head. Saving of 137 Kw/hr achieved resulted into energy saving of 334 MTOE/annum.
- Stoppage of one instrument air compressor out of three identical compressors by system simplification like separating Instrument and ashing air; remove pressure regulating valve from the system and logic modifications. This resulted in to a power saving of about 100 Kw/hr along with energy saving of 215 MTOE/annum.

##### PVC

- Replacement of old, inefficient Polymer, brine chiller with new, efficient Polymer & brine chiller with latest technology & Replacement of older cooling water pumps with new energy efficient cooling water pump. This has resulted in –
  - Power saving of 57.4 Kwh/MT PVC i.e. 1084 MTOE/Annum.
  - Reduction in steam consumption by 0.477 MT/MT PVC i.e. 1438 MTOE.

##### Chemicals

- Stoppage of one 30% HCL pump in HCL section for HCL transfer to PVC plant with an energy saving of 144 Kwh/Day i.e. 16 Mtoe/annum.
- Replacement of Motor of Hypo Pump in SBP Plant with an energy saving of 79 Kwh/Day i.e. 9 Mtoe/annum.

##### Cement

- A Hydro cyclone was installed in Cement Plant to increase Carbide sludge consumption and reduce power consumption. Saving of 2848 Kwh/day achieved resulted into energy saving of 289 MTOE/annum.

##### SAC - Bharuch Chemical Plant

- Energy efficiency improvement by installing VFD's in Induced Draft and Primary Air fans.
- Hydrogen is being used a fuel in flaker, furnaces, power plant and also being supplied to neighboring industries to reduce the equivalent carbon footprints.
- Supply of Chlorine through pipeline to consumers in gaseous stage has resulted in energy saving that would have been required to convert liquid chlorine to gas while use in process by the consumers.
- Supply of steam through pipeline has reduced the requirement of all necessary requirements to produce steam at consumer's end.
- Installation of zero gap technology electrolyzers for saving energy.

##### Sugar Plants - U.P.

##### Ajbapur

- Replacement of conventional starter with VFD's for 3 no. hoist motors at WIL Mill cane unloaders 20% power saving.

- Modification of cutter hubs from 2 holes to 3 holes to reduce downtime.
- Installation of sugar truck loader to improve efficiency.

Rupapur

- Installation of VFD's on Mixed Juice and Injection Pumps.
- Installation of planetary drive on C TVC (Twin Vertical Crystallizers).
- Batch Machine Thickness control Automation for power saving
- LED lightings in plant.

Hariawan

- Installation of Hot Condensate Tank in refinery plant resulting in the saving of steam by 1 % Cane.

Loni

- Replacement of conventional lights to LEDs lights of Process Section & Plant offices to save the energy.
- Installation of VFD's for Air Compressor operation to save the energy.
- Installation of VFD's in Injection Pump to save the energy.
- Hydro Jet cleaning and Air leak test of Boiler tubes.

- ii. the steps taken by the Company for utilising alternate sources of energy;

SAC – Bharuch Chemical Plant

- Use of biomass in boilers as non-conventional energy resource.

SFC Complex – Kota

- Continue use of biomass as fuel for Power plant and increasing capacity to consume more. During the year consumption of biomass increased from 122 MT/day to 136 MT/day i.e. increase by 14 MT/day.

- iii. the capital investment on energy conservation equipments; Major investments on energy conservation equipment are as under:

SFC Complex – Kota

Particulars	Investment (Rs./Crs.)
Fertiliser - - Installation of Additional Methanater Heat Exchanger	2.11
Cement - - Installation of Hydro Cyclone	0.20
Power - - Modification of Boiler feed pumps in 66MW Power plant	0.17

- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year);

Carbide - Kota

a)	Technology Imported	Tap-hole fume extraction system from M/S Henan ZJN Drying environmental Sci-tech Co. Ltd, China
b)	Year of Import	2019
c)	Whether technology has been fully absorbed	Yes
d)	If technology not fully absorbed, reason for same & future plan of action	-

SAC – Bharuch Chemical Plant

- Replacement of 7 membranes in electrolyzers - Rs. 1361 Lacs
- Energy efficiency improvement by installing VFD's in Induced Draft and Primary Air fans - Rs. 182.43 Lacs

Sugar Plants – U.P.

- Ajbapur - VFD's, Hoist Motors, Cutter hubs & Sugar Truck Loader - Rs. 35.50 Lacs.
- Rupapur - VFD's, Planetary Drives, Batch Machine Thickness Control Automation, LED Lightening - Rs. 42.50 Lacs.
- Hariawan - Hot Condensate Tank in refinery plant - Rs. 31.40 lacs.
- Loni - LED Lights, VFD Drives at Air Compressor, Injection Pump, Hydro jet cleaning - Rs. 30.00 Lacs.

**B) Technology Absorption**

- (i) the efforts made towards technology absorption;

Sugar Plants – U.P.

Digitization at All Units

- Self learning feeding algorithm by using AI application in Batch Machines to save the energy.
- On Line Condition monitoring of critical single line equipment – 255 sensors

SAC – Bharuch Chemical Plant

- Opted for latest and energy efficient CFBC boiler for forthcoming 120 MW CPP
- Replacement of membranes with updated and latest technology from time to time.

- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

SFC Complex – Kota

- Better operation control
- Improved process safety and efficiency
- Mitigating import substitution slightly

Sugar Plants – U.P.

- Cost reduction by energy saving
- Reduction in downtime

SAC – Bharuch Chemical Plant

- With the use of CFBC boiler, lignite and biomass is used to replace/substitute imported coal.



PVC - Kota

a)	Technology Imported	1. New Polymer Technology (JNC Corporation, Japan) Polymer manufactured by Yibin Jiangyuan Chemical Industry Machinery Manufacturing Co. Ltd, China 2. Twin screw Compressor from Brine Chiller from Johnson Controls, manufactured in China
b)	Year of Import	2019
c)	Whether technology has been fully absorbed	Yes
d)	If technology not fully absorbed, reason for same & future plan of action	-

Chemicals - Kota

a)	Technology Imported	1. Bertams technology for flaker plant 2. Installation of new zero gap cells in Electrolyser # F & G
b)	Year of Import	2018-19
c)	Whether technology has been fully absorbed	Yes
d)	If technology not fully absorbed, reason for same and future plan of action	-

Chemical (SAC – Bharuch)

a)	Technology Imported	For chlor-alkali products only imported technology is available. Therefore, imported technology is being used right from inception. The same is being updated with the latest one from time to time
b)	Year of Imported	Continuous.
c)	Whether technology has been fully absorbed	Yes
d)	If technology not fully absorbed, reason for the same & future plan of action	N.A.

(iv) the expenditure incurred on Research and Development :

Capital - 1.94 Crores  
Revenue - 38.26 Crores

C) Foreign Exchange Earnings and Outgo

Rs. in Crores

	2020-21
- Total foreign exchange used in terms of actual outflows during the year	171.71
- Total foreign exchange earned in terms of actual inflows during the year	102.71

Place : New Delhi  
Date : 4.5.2021

AJAY S. SHRIRAM  
Chairman & Senior Managing Director  
DIN : 00027137

## Annexure - 5

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021

**[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,  
**DCM SHRIRAM LIMITED**  
(L74899DL1989PLC034923)  
2<sup>nd</sup> Floor West Wing, Worldmark 1,  
Aerocity, New Delhi-110037

We have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and adherence to the good corporate practices by **DCM SHRIRAM LIMITED** (hereinafter called the "Company") for the financial year ended March 31, 2021. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances by the Company and expressing our opinion thereon.

**We report that-**

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management Representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of those on test basis.
- f) This 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.

Based on our verification of the Company's books, papers, minute books and other records maintained and the forms and returns filed 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 31<sup>st</sup> March, 2021 ("Audit

Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books and other records maintained, and the forms and returns filed by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of (including any amendment thereof).

- (i) The Companies Act, 2013 (the Companies 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 and External Commercial Borrowings, where applicable;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and amendment thereof:-
  - (a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - (c) \*SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) SEBI (Share Based Employee Benefits) Regulations, 2014;
  - (e) \*SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) \*SEBI (Delisting of Equity Shares) Regulations, 2009;
  - (h) \*SEBI (Buy-back of Securities) Regulations, 2018; and
  - (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

\*No event took place under these regulations during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India.

During the Audit Period, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards as mentioned above, to the extent applicable and further the Company submitted/disclosed the quarterly financial results to the stock exchanges generally on time.

- vi) The business portfolio of the Company comprises primarily of the followings-

- **Agri-Rural Business**

Sugar, Urea & SSP fertilizers Hybrid Seeds, Farm inputs merchandising such as, Crop care and Specialty Chemicals.

- **Chlor-Vinyl Business**

Caustic Soda, Chlorine, Calcium Carbide, PVC resins, PVC Compounds, Power and Cement. It has a value-added business Fenesta Building Systems - UPVC Windows & Doors.

The Company has manufacturing facilities of Fertiliser, Chloro Vinyl & Cement in Kota (Rajasthan) and of Chlor-Alkali in Bharuch, Gujarat. The Company operates coal-based captive power, facilities - in Kota (Rajasthan) and Bharuch (Gujarat) rated at 263 MW. The Urea plant in Kota has a Production capacity of 379,500 TPA & Chlor-Alkali capacity of 6,45,050 TPA in both Kota & Bharuch. Cement plant has a production capacity of 400000 TPA and PVC plant has capacity of 220 TPD. Further, Sugar factories are located in Ajbapur, Rupapur, Hariawan and Loni in Uttar Pradesh, with a combined installed capacity of 38,000 TCD (tonnes crushed daily), power- generating capacity of 155 MW and Distilleries at Hariawan and Ajbapur with combined capacity of 350 KLD. The Hybrid seed operations- 'Bioseed' are based out of Hyderabad India and in Southeast Asia. Fenesta windows extrusion unit is located at Kota and fabrication units are located in Bhiwadi, Mumbai, Hyderabad and Chennai.

Following are some of the laws specifically applicable to the company:-

- Food Safety and Standards Act, 2006;
- Essential Commodities Act, 1955;
- Narcotics Drugs and Psychotropic substance Act, 1985;
- Legal Metrology Act, 2009;
- The Fertilizer Control Order, 1985;
- The U.P. Sugarcane (Purchase Tax) Act, 1961;
- The Sugar (Packing & Marketing) Act, 1970.

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to

ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

**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 audit period 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 atleast seven days in advance and there exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting for the meaningful participation at the meeting.

During the Audit Period, all the Board decisions were carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

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

**We further report that** during the Audit Period, the Board of directors at their meeting held on 21<sup>st</sup> July, 2020, given its approval for issuance of 3000 unlisted Non-Convertible debentures through private placement having face value of Rs. 10 lakh each aggregating to Rs. 300 Cr (Rupees Three Hundred Crores).

For Sanjay Grover & Associates  
Company Secretaries  
Firm Registration No.: P2001DE052900

Devesh Kumar Vasisht  
Partner

New Delhi  
4.5. 2021

CP No. 13700, FCS No.:8488  
UDIN: F008488C000234881

# CORPORATE SOCIAL RESPONSIBILITY

## Annual report on CSR activities

*[Pursuant to section 135 of the companies act, 2013 read with companies (corporate social responsibility policy) rules, 2014, as amended.]*

### 1. Brief outline on CSR Policy of the Company

DCM Shriram is committed to playing a larger role to bring tangible difference in the lives of communities around its areas of operations. Over the years, we have been focusing on sustainable business practices encompassing economic, environmental and social imperatives that not only cover business, but also the communities around us. The Company complies with Section 135 of the Companies Act, 2013, Schedule VII and the approach is focused on long-term programs aligned with community needs and national priorities, including Sustainable Development Goals. The Company also believes that its employees have the potential to contribute towards building strong communities through sharing their knowledge and expertise. Hence, we proactively create opportunities whereby employees can also connect and contribute.

#### Focus Areas:

- Preventive Health & Sanitation
- Education, Vocational Skills & Livelihood
- Environment Sustainability
- Rural Development

A brief overview of the activities undertaken in FY 2020-21:



### I. Preventive Healthcare & Sanitation

Khushali Sehat, is DCM Shriram's flagship CSR program on preventive healthcare, running since 2010. The program is undertaken in alignment with various Government schemes like NURM, JSY, RKSK and ICDS. The program works primarily towards Mother and Child health focusing on Women's Reproductive Health with an objective to reduce IMR (Infant Mortality Rate) and MMR (Mothers Mortality Rate).

In 2020-21, to combat the spread of COVID-19, the company ramped up its efforts in over 100 villages around its areas of operations through digital online messaging, thereby supporting the local administration in amplifying the efforts on prevention of the COVID-19.

- Created awareness at mass level regarding COVID-19 with a message of 'stay home, stay safe and maintain social distancing'.
- Set-up 'COVID-19 Control Rooms', to ensure that migrants are sensitized. Over 2500 plus migrants were reached out and provided with a sanitization kit
- Donated 1,000 COVID-19 sampling kits, N95 masks, surgical gloves and masks to the Hardoi district COVID-19 control centers to help district administration control the pandemic.
- Donated over 40,000 masks to Community Health Centers (CHCs) in UP made by the young girls/women of our Silai School (Vocational Skilling Program of DCM Shriram) and the families of our sugar unit employees.



- Launched a pilot, across all four sugar units, supported villages with a medical tele-consultation from doctors with the help of our VLWs (Village Level Workers). Promoted Tele-consultation in 44 villages in Hardoi and Lakhimpur Districts of UP.
- Partnered with Akshaya Patra Foundation and distributed over 1800 POSHAN kits to malnourished adolescents, lactating mothers and pregnant women to celebrate POSHAN Maah.
- Partnered with Tata Trusts to and spread awareness among 5620 women and 3426 girls on MHM through 1100 plus awareness sessions across 44 villages.
- Partnered with Indus Action to help rural women avail the benefit of PM Matru Vandana Yojana. Survey revealed that 352 / 817 i.e. 40% beneficiaries in our project area had not availed of benefit under the scheme. Helped facilitate the same which resulted in approx Rs 17 lakh reaching the communities.

### Sanitation

DCM Shriram's Sanitation program called 'Shriram Swachhagrah' is implemented in 3 States, Gujarat, Rajasthan & Uttar Pradesh, in alignment with Govt. of India's

Swachh Bharat Mission and supporting Swachh Vidyalaya Yojana. The company is running this program since 2014, started from the state of UP and scaled-up and replicated in other districts of its operations i.e. Kota and Bharuch.

The Company recalibrated Shriram Swachhagrah program post the pandemic from SLTS (School Led Total Sanitation) towards CLTS (Community Led Total Sanitation) with a focus on ODF +, which is also a phase 2 of Swachh Bharat Mission.

- Sensitisation on ODF+: Trained 40 village Gram Pradhan/Swachhagrahis and Volunteers on ODF+, second phase of Swachh Bharat Abhiyan.
- COVID-19 awareness: Over 13,824 men, 13,254 women and 13,727 children were sensitized on good hygiene practices and preventive measures against COVID -19 through door-to door interaction in 110 villages in Kota. 6,500 plus community

members were sensitized across four Sugar units in UP.

- Individual Household Toilet: 88 Household Toilets were constructed in Kota and 37 Household Toilets in Bharuch. So far, 361 Households toilets are constructed in Bharuch.
- Solid Waste Management: Garbage collection trolleys were provided in 2 villages of Loni, benefitting over 3000 community members. Donated one Tractor Trolley to Fulwadi village for efficient Solid Waste Management.

### II. Education, Vocational skills, Livelihood

Currently, through Khushali Shiksha program, DCM Shriram strives to improve learning level of students studying in class 1 to 5. The focus of Khushali Shiksha is not just on age-and-grade-appropriate learning in curricular subjects such as language, science and mathematics; it is also on leveraging 21st century skills such as



critical thinking, problem solving, collaborative learning and the use of technology to promote learning.

The intervention focused on working with students of 64 Government primary schools in Hardoi and Lakhimpur districts of Uttar Pradesh. Tablets are used in communities with the aim of providing access to digital technology and online content which will help provide a wider set of learning opportunities to children.

Shriram Scholarships were distributed to promote education and also to motivate/support meritorious girls of Government ITI Kota, Women ITI Polytechnic College, Govt. Colleges, Engineering College and Kota University to pursue higher education in the desired fields/ streams.

Given the COVID-19 pandemic, our Khushali Shiksha program was restructured to enable communities to facilitate learning among their children with remote inputs through the digital medium. Our teams continued to reach out to the communities virtually as a part of the remote learning campaign – 'Karona Thodi Masti Thodi



Padhai' in partnership with Pratham Education Foundation. Students are given a task daily via SMS, sent to a team of over 618 identified volunteers in the villages who help in the children's continuous learning. In 2020-21, 2634 students have benefited under Khushali Shiksha virtual program.

The Company also introduced Blackboard and Loudspeaker activities in the community to increase community participation. Walls were used as a substitute for blackboards.

#### Livelihood Program

Agri-skilling program – Jeetega Kissan was launched to help farming communities get "More Crop Per crop" from the conserved water. The program is layered on our water conservation program and aims at an increase in irrigated area, cultivable area, and adoption of advanced agricultural

techniques which leads to increase in productivity and profitability of the farmers. Jeetega Kissan program is implemented in 18 villages of Kota with 900 farmers. Over 400 Farmers Interest groups (FIGs) meetings are organized with an objective of enhancing their agriculture skills. Over 400 Farmers Interest groups (FIGs) meetings are organized with an objective of enhancing their agriculture skills. 350 plus Demo Plots are established across the villages for Kharif and Rabbi seasons.

#### Vocational Skills

Silai School: Sustainable income sources for women are created through this program in our project villages. 'Silai School' provides a vocational training to the rural women and girls in stitching and tailoring related work. In 2020-21, the Company recognized that artisans in the cluster (Hardoi/Lakhimpur) had great skills but were getting marginalized due to



market access. There was a gap between the rural craftsperson's and the urban consumer.

Project Zar-Dozi, a livelihood sustenance program striving to develop entrepreneurship qualities in rural artisans, promoting the craft and guide them adequately to engage themselves in productive enterprises through formation of SHGs was launched. 34 women are engaged in Hariawan and Ajbapur location through Project Zar-Dozi.

### III. Environment Sustainability - Khushali Paryavaran

Water Conservation continues to be a focus area for our CSR programs. Water Conservation efforts were conceptualized to ensure availability of sufficient water for irrigation, drinking & livestock, reducing the depletion of ground water and for raising the socio economic status of the nearby villagers. The company has rejuvenated 17 ponds and converted 40 disused dugwells on farms into ground water recharge structures in 2020-21. We have layered this initiative with an agri-skilling program so that the farming communities get "Per Drop More Crop" from the conserved water.

The Company is conscious of the need to maintain right ecological balance and has created green belts around its areas of operations. Over 75,000 saplings planted in community areas of Bharuch, Hardoi and Lakhimpur districts. The saplings include Shisham, Kanji, Jamum, Katahal, Amla, Chitwan, Aam, Shagaun etc.

### IV. Rural Development

The Company is implementing a unique Model Village program that marries sectoral development

programs with focused infrastructure development activities in select villages of areas around its operations. These infrastructure Development activities include providing Safe drinking water facilities, upgradation of anganwadi, Schools, Primary Health Centers, Panchayat Bhawans, interior village roads etc. These activities are undertaken in close association & participation of the local community & Gram Panchayats. In 2020-21, the Company installed 3 Water ATMs to provide safe drinking water to the community. Also constructed roads and initiated the work for Community hall in Bharuch.

### COVID-19 relief

The outbreak of the COVID-19 pandemic around the world has had a destabilizing impact on business operations. As a responsible and caring Company, we have worked to mitigate the effects of the crisis with agile responses. In 2020-21, the Company had set up 15 crores COVID – 19 contingency fund, from which Rs. 10 Crore were donated to the PM CARES Fund and balance Rs. 5 Crore were committed for initiatives taken up under

CSR to help communities in kind and for contribution to relief funds of State Governments.

- Repurposed its factory in Kota to produce Sodium Hypochlorite, donated approximately 12 lakh liters of Sodium Hypochlorite collectively to Rajasthan, Gujarat, U.P, M.P and Delhi.
- Producing hand sanitizers in its two distilleries at Hariawan and Ajbapur in Uttar Pradesh. Approximately 10,000+ litres of the same has been donated to the communities, Community Health Centers and district administration.
- Partnered with Tata Trusts for resource support to supply hand sanitizer and sodium hypochlorite for a period of six months, in the government hospitals of Gonda and Noida which have been upgraded as COVID- 19 hospitals by Tata Trusts.
- Donated Sodium Hypochlorite and Hand Sanitizer to Bharti Foundation for sanitization purposes in 164 schools run across 4 states by the foundation.
- Part funded Gurugram Medeor, a not-for-profit hospital exclusively dedicated to treating COVID-19 that was set up in Gurugram.



## 2. Composition of CSR committee

The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The CSR committee comprises three independent directors as on March 31st 2021.

S. No.	Name	Designation / nature of directorship	CSR Committee	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ajay S Shriram	Chairman & Senior Managing Director	Chairman	2	2
2	Mr. Vikram S Shriram	Vice Chairman and Managing Director	Member	2	2
3	Mr. Ajit S Shriram	Joint Managing Director	Member	2	2
4	Mr. Sunil Kant Munjal	Non Executive Independent Director	Member	2	1
5	Justice(Retd.) Vikramajit Sen	Non Executive Independent Director	Member	2	1
6	Shri Pravesh Sharma	Non Executive Independent Director	Member	2	2

The role of the CSR Committee of the Board provides strategic direction to the Company's overall CSR objectives. The Committee seeks to guide the Company in integrating its social and environmental objectives with its business strategies and assists in crafting unique models to support creation of sustainable CSR programs. The Committee formulates, reviews and monitors the CSR Policy and recommends to the Board the annual CSR Plan of the Company. The Committee also reviews the Business Responsibility Report of the Company.

## 3. Web links where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

- The composition of the CSR committee is available on our website, at <https://www.dcmshriram.com/csr-committee>
- The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The CSR Policy of the Company is available on our website, at <https://www.dcmshriram.com/csr-policy>
- The Board, based on the recommendation of the CSR committee, at its meeting held on May 4, 2021, has approved the annual action plan / projects for fiscal 2022, the details of which are available on our website, at <https://www.dcmshriram.com/csr-budget>

## 4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

The Company undertakes regular monitoring of all its CSR initiatives, and these include periodic third-party assessment of baseline and impact of CSR interventions with key indicators in its areas of operation based every two-three years.

In line with this, in 2020-21, Think Through Consultancy was appointed by DCM Shriram towards third party assessment with the following objectives:

- Understanding the impact of DCM Shriram's preventive healthcare initiative running by the name of Khushali Sehat, on the community in 44 villages of Hardoi and Lakhimpur Kheri districts of UP.
- Understanding the impact and perception of the community in relation to the interventions undertaken for the preventive healthcare program.
- Effectiveness of the project monitoring and evaluation along with identifying the gap areas for way forward.

The assessment undertaken for Khushali Sehat program was for the period of 2018-2020. The evaluation was undertaken using a mixed methodology, which involved both, qualitative and quantitative data collection. The assessment undertaken by Think Through Consultancy collected information in the form of Household (HH) surveys, focus group discussions, village level observations, joint consultations and workshops, Key Informant Interview (KIIs), In-Depth Individual Interviews (IDIs) 739 households and Government officials in the district and block level health institutes.

Some of the key highlights of the assessment were:

The assessment undertaken showed a noticeable change in the program indicators vis-à-vis need assessment.

- The knowledge and attitude regarding ANC are good. Around 97% women have the knowledge that ANC is important. Around 90% of the women confirmed that they had registered their pregnancies during the first trimester which was a significant increase from the 48% in at the time of needs assessment.
- The attitude towards institutional deliveries is positive. The women and their caregivers are well informed of the benefits of delivering in an institution. Most of the respondents are aware that a woman might face some complications during the delivery process which can be managed better in an institution. Around 79% deliveries are being conducted in a hospital, which is an increase from 74% at baseline.
- It was observed that, the role of village level workers is extremely important and is parallel to ASHA and ANM. These VLWs has



been instrumental in the intervention areas for proving women with postnatal counseling. Around 96% women confirmed that they had received advice regarding post-pregnancy care and child care after they had delivered the baby.

4. The Company followed a partnership model to amplify and scale up its menstruation hygiene management program. The Company partnered with Tata Trusts and Project BAALA. VLWs were trained extensively by Tata Trusts on various aspects of MHM which not only helped in increasing their knowledge but also boost their self confidence. Over 11,000 awareness workshops were conducted on MHM for over 6000 women and adolescent girls.
5. It was also highlighted that as per the objective of the program, it has succeeded in creating awareness and increasing demand for services related to preventive healthcare. The demand for most of the services related to maternal and child care like ANC

and various tests conducted in ANC like ultrasound, institutional delivery, immunization etc, have increased.

5. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any: Nil
6. Average net profit of the Company as per Sec 135(5):  
Rs. 1003.97 crore
7. a. Two percent of average net profit of the Company as per Section 135(5): Rs. 20.08 crore  
b. Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil  
c. Amount required to be set-off for the financial year, if any: Nil  
d. Total CSR obligation for the financial year (7a+7b-7c): Rs. 20.08 crore

8. a. CSR amount spent or unspent for the financial year:

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

b. Details of CSR amount spent against ongoing projects for the financial year:

CSR Annexure

1	2	3	4	5	6	7	8	9	10	11	12
S. No.	CSR project or activity identified	Item from the list of activities in Schedule VII to the Act	Sector in which the project is covered	Project duration (In Years)	Local area (Yes/No)	Location of the Project - State and district where programs were undertaken	Amount outlay (budget) (Rs. lacs)	Amount spent on the projects Sub heads - (1) Direct expenditure (Rs. lacs) (2) Overheads (Rs. lacs)	Cumulative expenditure upto the reporting period (Rs. lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Amount spent: Direct or through Implementing Agency*
Nil											

c. Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6	7	8	9	10	11	
S. No.	CSR project or activity identified	Item from the list of activities in Schedule VII to the Act	Sector in which the project is covered	Local area (Yes/No)	Location of the Project - State and district where programs were undertaken	Amount outlay (budget) (Rs. lacs)	Amount spent on the projects Sub heads - (1) Direct expenditure (Rs. lacs)	Cumulative expenditure upto the reporting period (Rs. lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Amount spent: Direct or through Implementing Agency*	
1	Preventive Healthcare - Mother and Child health focusing on Women's Reproductive Health with an objective to reduce IMR (Infant Mortality Rate) and MMR (Mothers Mortality Rate). Preventive Eye care program, Training on MHM and Family Planning	Clause (i) Promoting health care including Preventive healthcare and Sanitation	Preventive Healthcare and Sanitation	Yes	Distts. Lakhimpur Kheri & Hardoi, Uttar Pradesh; Kota, Rajasthan; Bharuch, Gujarat	290.00	280.00	280.00	NA	1. MAMTA - HIMC 2. Gram Swaraj Mission Ashram 3. Vinobha Sewa Ashram 4. Akshaya Patra Foundation	1. CSR00001978 2. CSR00001094 3. CSR00008912 4. CSR0000000286
	Yes			Distts. Lakhimpur Kheri & Hardoi, Uttar Pradesh; Kota, Rajasthan; Bharuch, Gujarat	1. DCM Shriram Foundation 2. FINISH Society					1. CSR00004632 2. CSR00001053	
Sub Total (1)						290.00	280.00	280.00	Nil		
2	Education - Khushali Shiksha Program for improving Leaving level of students in Govt. schools. Shriram Scholarships for the students of ITIs. Vocational Skills - Khushali Rozgar program for the upliftment of rural youth and women. Running 2 Silai schools and 2 Digital Learning centers. Livelihood - Jeetega Kissan program for Agri-skilling of farmers	Clause (ii) Promoting education, livelihood (iii) Empowering Women	Promoting Education, Vocational Skills and Livelihood	Yes	Distts. Lakhimpur Kheri & Hardoi, Uttar Pradesh; Kota, Rajasthan; Bharuch, Gujarat	246.00	209.00	209.00	NA	1. Pratham Education Foundation 2. ISAP 3. DCM Shriram Foundation	1. CSR00000258 2. CSR00000109 3. CSR00004632
	Yes			Distts. Lakhimpur Kheri & Hardoi, Uttar Pradesh; Kota, Rajasthan; Bharuch, Gujarat							
Sub Total (2)						246.00	209.00	209.00	Nil		

1	2	3	4	5	6	7	8	9	10	11	
S. No.	CSR project or activity identified	Item from the list of activities in Schedule VII to the Act	Sector in which the project is covered	Local area (Yes/No)	Location of the Project - State and district where programs were undertaken	Amount outlay (budget) (Rs. lacs)	Amount spent on the projects Sub heads - (1) Direct expenditure (Rs. lacs)	Cumulative expenditure upto the reporting period (Rs. lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Amount spent: Direct or through Implementing Agency*	
3	Khushali Paryavaran - Undertaking Water conservation through construction of tanks, check dam, dugwells, etc. Plantation and Maintenance of trees.	Clause (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare	Environmental Sustainability	Yes	Distts. Lakhimpur Kheri & Hardoi, Uttar Pradesh; Kota, Rajasthan; Bharuch, Gujarat	151.00	145.00	145.00	NA	Direct	NA
	Yes			Distts. Lakhimpur Kheri & Hardoi, Uttar Pradesh; Kota, Rajasthan; Bharuch, Gujarat	NA				Direct	NA	
Sub Total (3)						151.00	145.00	145.00	Nil		
4	Rural Development - Construction / repair of village roads, school buildings, tube wells, RO Plants etc. Disaster relief, Integrated Village Development	Clause (i) Eradicating hunger, poverty and malnutrition, drinking water; (x) rural development projects	Rural Development	Yes	Distts. Lakhimpur Kheri & Hardoi, Uttar Pradesh; Kota, Rajasthan; Bharuch, Gujarat	133.00	122.00	122.00	NA	Direct	NA
Sub Total (4)						133.00	122.00	122.00	Nil		
5	COVID-19 - related spend (Including Rs. 10 crores contributed to PM CARES FUND)	Clause (xii) disaster management, including relief, rehabilitation and reconstruction activities		Yes	Lakhimpur Kheri & Hardoi, Uttar Pradesh; Kota, Rajasthan; Bharuch, Gujarat	1100.00	1165.00	1165.00	NA	NA	NA
Grand Total						1918.00	1921.00	1921.00	Nil		

(1) Details of the implementing agencies -CSR programs are implemented through own foundation- DCM Shriram Foundation and other implementing agencies which were identified and selected through a comprehensive due diligence process.

(2) The Company has partnered with eminent NGOs / Trusts such as Tata Trusts, Population Foundation of India, Project BAALA, FINISH Society, ISAP, Gram Swaraj Mission, Vinobha Sewa Ashram, Akshaya Patra Foundation, Pratham Education Foundation, etc.

d) Amount spent in administrative overheads: Rs. 90 Lacs

e) Amount spent on impact assessment, if applicable: Rs. 4.5 Lacs

f) Total amount spent for the financial year (8b+8c+8d+8e): Rs. 20.11 Crore

g) Details of excess amount for set-off are as follows:

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 20.08 Cr
(ii)	Total amount spent for the Financial Year	Rs. 20.11 Cr
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 3 lacs
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of unspent CSR amount for the preceding three financial years: Nil
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable, as the concept of 'ongoing projects' has been introduced in the CSR Amendment Rules, relevant from fiscal 2021. Details of spend on all ongoing projects during fiscal 2021 are covered under 8(b) above.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: No capital asset was created / acquired for fiscal 2021 through CSR spend of the Company.
11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5): NA

#### CFO Certificate

In terms of Rule 4(5) of The Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, I, Amit Agarwal, Chief Financial Officer of DCM Shriram Ltd.(the "Company"), hereby certify that the funds so disbursed for CSR activities during the Financial Year 2020-21 have been utilized for the purpose and in the manner as approved by the Board of Directors.

For DCM Shriram Ltd.

(Amit Agarwal)  
Chief Financial Officer

#### Responsibility Statement of the CSR Committee:

The CSR Committee of the Board affirms that the implementation and monitoring of CSR Policy is in compliance with CSR Policy and Objectives of the Company.

Mr. Ajay S. Shriram  
Chairman and Managing Director  
Chairman - CSR Committee

Mr. Vikram S. Shriram  
Vice Chairman and Managing Director  
Member CSR Committee

# SOCIAL IMPACT OF CSR ACTIVITIES 2020-21

## SHRIRAM SWACHHAGRAH AWARENESS RELATED ACTIVITIES



75,000 plus community members sensitized via awareness related activities in Kota, Hardoi and Lakhimpur Kheri

## SHRIRAM SWACHHAGRAH HOUSEHOLD TOILETS



Constructed 67 household toilets in Bharuch and helping villages become open defecation free

## KHUSHALI SHIKSHA



In 62 villages, 500 + village volunteers reached out and facilitated remote learning for 2634 + primary school students in UP

## SCHOLARSHIPS



Merit based scholarships provided to 60 students in Kota

## KHUSHALI SEHAT



18,000 plus community members were reached in via general health camps/Door-to-door interactions and eye camps across Kota, Bharuch, Hardoi and Lakhimpur Kheri

## MENSTRUATION HYGIENE MANAGEMENT PROGRAM



11,500 women and adolescent girls were trained on Menstrual Hygiene through 1500 plus awareness sessions in Kota, Hardoi and Lakhimpur Kheri

## JEETEGA KISAAN



900 farmers benefited from 36 trainings undertaken on pre-sowing for Kharif and Rabi season and 6 training on Integrated Farming Systems and Post-Harvest management in Kota

## WATER CONSERVATION



Recharged 48 dug wells, Rejuvenated 11 Ponds in Hardoi and Lakhimpur Kheri and 6 Ponds in Bharuch

## SILAI SCHOOL



Initiated Project Zardozi – formed SHG, trained 34 women on Zardozi artwork and selling the products online – Striving to make rural women entrepreneurs

## WATER ATM



Two water ATMs in Hardoi directly providing safe drinking water to over 250 households

# COVID-19 RELIEF

## SPRAYING OF DISINFECTANT



Donated 12 lacs liters of Sodium Hypochlorite collectively to state and district authorities of Rajasthan, Gujarat, U.P, M.P and Delhi

## DISTRIBUTION OF HAND SANITIZER



Donated 10,000+ liters of Hand Sanitizer to the communities and district authorities

## MIGRANT SUPPORT



Set up Four COVID-19 control centers and supported over 2500 migrants by providing them with a sanitation kit in Hardoi and Lakhimpur Kheri

## TRUCK DRIVER'S SUPPORT PROGRAM



2000 truck drivers were supported with food and sanitation kits

## FACE MASK DISTRIBUTION



Donated 1000 N95 masks to frontline staff and 40,000 + face masks in communities and district authorities in Hardoi and Lakhimpur Kheri

## COVID-19 SAMPLING KITS



1000 COVID-19 Sampling Kits donated in Hardoi

## POSHAN KITS



1800 POSHAN kits and 300+ dry ration kits distributed to support malnourished adolescents, lactating mothers and pregnant women

## TELE MEDICINE



1100 + patients treated via Tele Medicine in Hardoi and Lakhimpur Kheri

## BAALA KITS – REUSABLE SANITARY NAPKINS



950 + reusable sanitary napkins were distributed to adolescent girls of Kota, Hardoi and Lakhimpur Kheri

## YOUTH MENTORING VIA VIRTUAL SESSIONS



160 Youth Mentored via E-Mentoring under virtual employee volunteering program

# Corporate Governance Report 2020-21

## (A) Company's Philosophy

The Company's philosophy on Corporate Governance is focused upon a rich legacy of fair, ethical and transparent policies and Governance practices. The Company is conscious of its responsibility as a good corporate citizen and is committed to high standard of Corporate Governance practices. This is reflected in the good composition, well balanced / diversified and independent structure of the Company's eminent and well represented Board of Directors. The Company is in full compliance with the requirements of Corporate Governance under the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations, 2015].

## (B) Board of Directors

As at 31.03.2021, there were twelve (12) Directors comprising five (5) Executive Directors including an Executive Chairman, six (6) Non-Executive Independent Directors and one (1) Nominee Director.

During the year, six (6) Board Meetings were held on 19.05.2020, 03.06.2020, 21.07.2020, 22.07.2020, 20.10.2020 & 19.01.2021.

A separate meeting of Independent Directors was held during the year.

The composition of Board of Directors, their attendance at Board Meetings during the year 2020-21 and at the last Annual General Meeting duly held on 21.07.2020 along with details of other Directorship and Committee Membership/Chairmanship as at 31.03.2021 are as follows:

Name of Director	Category of Directorship	No. of Board meetings attended	Attended last AGM	No. of other Directorship*	Name of the listed Companies (holding position of Director and category of Directorship)	No. of other Committee Membership**	
						Member (including Chairmanship)	Chairman/ Chairperson
Mr. Ajay S. Shriram (Chairman & Senior Managing Director)	Promoter & ED	6*	YES	6	--	--	--
Mr. Vikram S. Shriram (Vice Chairman & Managing Director)	Promoter & ED	6*	YES	6	--	--	--
Mr. Ajit S. Shriram (Joint Managing Director)	Promoter & ED	6*	YES	7	--	--	--
Mr. K.K. Kaul (Whole Time Director)	ED	6*	YES	1	--	--	--
Mr. K.K. Sharma (Whole Time Director) (EHS)	ED	6*	YES	--	--	--	--
Mr. Pradeep Dinodia	NE-I-D	6*	YES	3	1. Shriram Pistons and Rings Ltd. - NED 2. Hero MotoCorp Ltd. - NED	6	3
Mr. Vimal Bhandari	NE-I-D	6*	YES	6	1. JK Tyre & Industries Ltd. - NE-I-D 2. Bharat Forge Ltd. - NE-I-D 3. Kalpataru Power Transmission Ltd. - NE-I-D 4. RBL Bank Ltd. - NE-D	3	1
Mr. Sunil Kant Munjal	NE-I-D	6*	YES	4	Escorts Ltd. -NE-I-D	1	--
Ms. Ramni Nirula	NE-I-D	6*	YES	3	1. PI Industries Ltd. - NE-I-D 2. HEG Ltd. - NE-I-D 3. Usha Martin Ltd. - NE-I-D	1	--
Justice (Retd.) Vikramajit Sen	NE-I-D	5*	YES	1	BSE Ltd. - NE-I-D	--	--
Mr. Pravesh Sharma	NE-I-D	6*	YES	--	--	--	--
Mr. Sharad Shrivastva (LIC Nominee)**	Nominee Director	2*	NO	--	--	--	--
Ms. Sarita Garg (LIC Nominee)***	Nominee Director	2*	NO	--	--	--	--

\* Meetings attended through VC.

\*\* Resigned w.e.f. 07.08.2020

\*\*\* Appointed w.e.f. 20.10.2020

# Excluding Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

## Includes only Audit Committee and Stakeholders Relationship Committee.

ED - Executive Director  
 NE-I-D - Non-Executive Independent Director  
 NED - Non-Executive Director

The ratio between Executive and Non-Executive Directors (including Nominee Director) is 5 : 7.

#### Relationship amongst Directors

Mr. Ajay S. Shriram, Mr. Vikram S. Shriram and Mr. Ajit S. Shriram, being brothers, are related to each other. Apart from the above none of the Directors are related to each other.

#### Number of Shares held directly by Non-Executive Independent Directors as on 31<sup>st</sup> March, 2021

Name of Directors	No. of Shares held	% age of Share holding
Mr. Pradeep Dinodia	29,270	0.02
Mr. Vimal Bhandari	2,000	0.00

None of the other non Executive Directors holding office as on 31<sup>st</sup> March, 2021 hold any shares in the Company. There are no Convertible Instruments issued by the Company.

The details of familiarization programme for Independent Directors are available on the Company's website at the following web link:

<https://www.dcmshriram.com/sites/default/files/Familiarization-Programme-for-Independent-Director-2020-21.pdf>

#### Chart of skills/expertise/competence identified by the Board of Directors in context of the Company's business(es) and sector(s) for it to function effectively and actually available with the Board:

Name of Director	List of Core Skills/Expertise/Competencies
Mr. Ajay S. Shriram	General Management, Strategy, Finance, HR, Agri Businesses, Sugar, Retail and Chloro Vinyl Business.
Mr. Vikram S. Shriram	General Management, Strategy, Finance, Agri Businesses, Sugar, Retail and Chloro Vinyl Business.
Mr. Ajit S. Shriram	General Management, Strategy, Finance, Agri Businesses, Sugar, and Chloro Vinyl Business.
Mr. K.K. Kaul	General Management, Project Management, Procurement and Supply Chain Management, Setting up/Operation of Fertilizer, Chemicals, Petrochemicals, Cement, process plants and Human Resource Management.
Mr. K.K. Sharma	Environment Health and Safety, Agrochemicals and Pharmaceutical Manufacturing.
Mr. Pradeep Dinodia	Corporate Legal Matters, FEMA, Accounting and Direct Taxes.

Name of Director	List of Core Skills/Expertise/Competencies
Mr. Vimal Bhandari	Finance, Human Resources and General Management.
Mr. Sunil Kant Munjal	Mergers & Acquisitions, Impact Investing, Finance & Banking, Macro-economy, Corporate Strategy, Succession Planning, Business process and improvements, Restructuring etc.
Ms. Ramni Nirula	Project Financing, Strategy, Planning & Resources and Corporate Banking.
Justice (Retd.) Vikramajit Sen	Civil & Commercial Legal Matters and Arbitration.
Mr. Pravesh Sharma	Food Security, Agriculture, Rural finance, Rural development and Natural Resources Management.
Ms. Sarita Garg	Administration, Governance, Group Insurance and Information Technology.

#### Confirmation

On the basis of declaration received from the Independent Directors, the Board confirms that in their opinion the Independent Directors of the Company fulfill the conditions specified in the SEBI Listing Regulations, 2015 and are independent of the management.

#### (C) Audit Committee

##### (i) Terms of reference

The role and terms of reference of Audit Committee shall cover areas mentioned under SEBI Listing Regulations/and Section 177 of the Companies Act, 2013 and rules related thereto/other SEBI Laws/Regulations, as applicable from time to time besides other matters as may be delegated by the Board of Directors from time to time.

##### (ii) Composition

The Audit Committee was constituted in the year 1990. As at 31.03.2021, the Committee comprises of four (4) Non-Executive Independent Directors. The Committee met four (4) times during the year on 03.06.2020, 20.07.2020, 19.10.2020 & 18.01.2021 and attendance of the Members at the meetings was as follows:

Name of Member	Status	No. of meetings attended
Mr. Pradeep Dinodia	Chairman	4
Mr. Sunil Kant Munjal	Member	3
Ms. Ramni Nirula	Member	4
Mr. Pravesh Sharma	Member	4

Mr. Sameet Gambhir, Company Secretary, is a Secretary to the Committee.



**(D) Nomination, Remuneration and Compensation Committee**
**(i) Terms of reference**

The role and terms of reference of Nomination, Remuneration and Compensation Committee shall cover areas mentioned under SEBI Listing Regulations/and Section 178 of the Companies Act, 2013 and rules related thereto/other SEBI Laws/Regulations, as applicable from time to time and other matters as may be delegated by the Board of Directors from time to time.

**(ii) Composition**

As at 31.03.2021, the Committee comprises of three (3) Non-Executive Independent Directors and the Chairman of the Company who is an Executive Director. The Committee met two (2) times during the year on 03.06.2020 & 20.10.2020 and the attendance of the Members at the meetings was as follows:

Name of Member	Status	No. of meetings attended
Mr. Pradeep Dinodia	Chairman	2
Mr. Ajay S. Shriram	Member	2
Mr. Vimal Bhandari	Member	2
Mr. Sunil Kant Munjal	Member	2

Mr. Sameet Gambhir, Company Secretary, is a Secretary to the Committee.

**(iii) Performance Evaluation criteria**

The Nomination, Remuneration and Compensation Committee (NRCC) has approved the following criteria for evaluation of performance of Directors (including Independent Directors).

<ul style="list-style-type: none"> <li>Fulfillment of responsibilities as a director as per the Act, the Listing Regulations and applicable Company policies and practices;</li> </ul>
<ul style="list-style-type: none"> <li>In case of the concerned director being Independent Director, Executive Director, Chairperson of the Board or Chairperson or member of the Committees, with reference to such status and role;</li> </ul>
<ul style="list-style-type: none"> <li>In case of Independent Directors fulfillment of the independence criteria as specified under applicable Regulations and their independence from the management;</li> </ul>
<ul style="list-style-type: none"> <li>Board and/or Committee meetings attended; and</li> </ul>
<ul style="list-style-type: none"> <li>General meetings attended.</li> </ul>

**(iv) Remuneration of Directors**

(a) During the current financial year, there was no material pecuniary relationship or transaction between the Company and any of its Non-Executive Directors which is required to be disclosed.

(b) Criteria of making payments to Non-Executive Directors is as per Remuneration Policy of the Company which is available on the Company's website at the following web link :

[https://www.dcmshriram.com/sites/default/files/Remuneration%20Policy\\_0.pdf](https://www.dcmshriram.com/sites/default/files/Remuneration%20Policy_0.pdf)

**(v) Details of remuneration of Directors for the year 2020-21**

(i) **Non Executive Directors** :- The details of remuneration paid/payable during the year by way of Commission, and sitting fee for attending meetings of Board/Committees to Non-Executive Directors are as under:

Name of the Director	Amount/Rs. Lakhs		
	Sitting Fee	Commission	Total
Mr. Pradeep Dinodia	19.00	63.50	82.50
Mr. Vimal Bhandari	8.00	32.00	40.00
Mr. Sunil Kant Munjal	12.00	38.00	50.00
Ms. Ramni Nirula	10.00	35.00	45.00
Justice (Retd.) Vikramajit Sen	6.00	29.00	35.00
Mr. Pravesh Sharma	12.00	38.00	50.00
Mr. Sharad Shrivastva/ Ms. Sarita Garg (LIC Nominee)*	4.00	26.00	30.00

\* Paid to LIC of India

**(ii) Executive Directors**

(Amount/Rs. Lakhs)

Executive Directors	Salary	PF/Superannuation /NPS contribution	Allowances/ Perquisites/ Others	Commission	Stock Options	Total
Mr. Ajay S. Shriram	223.65	62.46	128.05	550.00	-	964.16
Mr. Vikram S. Shriram	220.50	61.57	120.22	545.00	-	947.29
Mr. Ajit S. Shriram	180.60	50.38	117.77	530.00	--	878.75
Mr. K.K. Kaul	104.52	12.76	60.30	75.00	-	252.58
Mr. K.K. Sharma	37.20	4.46	50.85	7.50	-	100.01

No Sitting fee has been paid to the Executive Directors.

- I. Provision for incremental gratuity and earned leave for the current year has not been considered, since the provision is based on actuarial basis for the Company as a whole.
- II. Notice period for termination of appointment of Managing/Whole Time Directors is six/three calendar months respectively, on either side.
- III. In the event of termination of appointment of Managing Director, compensation will be in accordance with the provisions of the Companies Act, 2013 and rules made thereunder or any statutory amendment or re-enactment thereof.
- IV. The Commission is paid to Executive Directors as approved by the Board of Directors within the prescribed limit.

#### **(E) Stakeholders' Relationship Committee**

##### **(i) Terms of reference**

The role and terms of reference of Stakeholders Relationship Committee shall cover areas mentioned under SEBI Listing Regulations/and the Companies Act, 2013 and rules related thereto/other SEBI Laws/Regulations, as applicable from time to time, inter-alia, including the following :

1. To consider and resolve the grievances of security holders of the Company including Shareholders, debenture holders and any other security holders.
2. Others
  - a. to scrutinize and approve registration of transfer and transmission of shares/debentures/warrants issued/to be issued by the Company.
  - b. to exercise all powers conferred on the Board of Directors under Article 43 of the Articles of Association.
  - c. to decide all questions and matters that may arise in regard to transmission of shares/debentures/warrants issued/to be issued by the Company.
  - d. to approve and issue duplicate shares/debentures/warrant certificates in lieu of those reported lost, and arrange for printing of blank share certificates, as per requirement.
  - e. to refer to the Board any proposal of refusal of registration of transfer of shares/debentures/warrants for their consideration.
  - f. to look into shareholders and investors complaints like transfer of shares, non-receipt of annual reports, non-receipt of declared dividend warrants, etc.
  - g. printing of Share Certificates.
  - h. to delegate all or any of its powers to Officers/Authorised Signatories of the Company and
  - i. to formulate the necessary process and procedures to ensure the compliance of the IEPF Rules, 2016 and other applicable provisions, if any, as amended from time to time for the transfer of shares to IEPF.

##### **(ii) Composition**

The Committee comprises of one (1) Non-Executive Independent Director and three (3) Executive Directors. The Committee met seven (7) times during the year on 01.07.2020, 23.07.2020, 09.10.2020, 23.11.2020, 28.12.2020, 20.01.2021 & 19.02.2021 and the attendance of the Members at the meetings was as follows:

Name of Member	Status	No. of meetings attended
Mr. Pradeep Dinodia	Chairman	7
Mr. Ajay S. Shriram	Member	2
Mr. Vikram S. Shriram	Member	7
Mr. Ajit S. Shriram	Member	2

Mr. Sameet Gambhir, Company Secretary, is a Secretary to the Committee.

During the year, 13 Complaints were received from the shareholders and all of them were resolved to the full satisfaction of the shareholders.

#### **(F) Other Committees**

##### **(i) Finance Committee**

###### **Composition:-**

The Committee comprises of four (4) Executive Directors. The Committee met ten(10) times during the year on 26.06.2020, 14.08.2020, 15.09.2020, 20.10.2020, 28.10.2020, 03.11.2020, 11.11.2020, 19.01.2021, 17.02.2021 & 22.03.2021 and the attendance of the Members at the meetings was as follows:

Name of Member	Status	No. of meetings attended
Mr. Ajay S. Shriram	Chairman	10
Mr. Vikram S. Shriram	Member	10
Mr. Ajit S. Shriram	Member	10
Mr. K.K. Kaul	Member	10

Mr. Sameet Gambhir, Company Secretary, is a Secretary to the Committee.

##### **(ii) CSR Committee :-**

###### **Composition:-**

The Committee comprises of three (3) Executive Directors and three (3) Non-Executive Independent Directors. The Committee met two (2) times during the year on 03.06.2020 & 19.10.2020 and the attendance of the Members at the meeting was as follows:

Name of Member	Status	No. of meeting attended
Mr. Ajay S. Shriram	Chairman	2
Mr. Vikram S. Shriram	Member	2
Mr. Ajit S. Shriram	Member	2
Mr. Sunil Kant Munjal	Member	1
Justice (Retd.) Vikramajit Sen	Member	1
Mr. Pravesh Sharma	Member	2

Mr. Sameet Gambhir, Company Secretary, is a Secretary to the Committee.

### (iii) Risk Management Committee

The Committee was constituted on 29.01.2019 and comprises of two (2) Executive Directors. The Committee met two (2) times during the year on 10.07.2020 & 08.01.2021 and the attendance of the Members at the meeting was as follows:

Name of Member	Status	No. of meeting attended
Mr. K.K. Kaul	Chairman	2
Mr. K.K. Sharma	Member	2

Mr. Sameet Gambhir, Company Secretary, is a Secretary to the Committee.

### (G) General Body Meetings

The last three Annual General Meetings were held as under:

Date of AGM	Time	Location
21.07.2020	10.30 A.M.	Not Applicable as the meeting was conducted through video Conferencing ("VC")/Other Audio Visual Means ("OAVM")
23.07.2019	11.30 A.M.	Kamani Auditorium, 1, Copernicus Marg (Near Mandi House), New Delhi – 110001
31.07.2018	10.00 A.M.	Kamani Auditorium, 1, Copernicus Marg (Near Mandi House), New Delhi – 110001

The details of Special Resolutions passed in previous three (3) Annual General Meetings are as under:

#### AGM 2020

- Approval for re-appointment of Mr. Ajit S. Shriram (DIN: 00027918), as a Joint Managing Director under Sections 196, 197, and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V thereof for a period of five years effective from 02.05.2021.
- Approval for re-appointment of Ms. Ramni Nirula (DIN: 00015330), as a Non Executive Independent Director under section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for second term of 5 consecutive years effective from 03.02.2020.

#### AGM 2019

- Approval for re-appointment of Mr. K.K. Kaul (DIN: 00980318), as a Whole Time Director under Sections 196, 197, and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V thereof for a period of two years w.e.f. 02.07.2019.
- Approval for re-appointment of Mr. Pradeep Dinodia (DIN: 00027995), as a Non Executive Independent Director under section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for second term of 5 consecutive years from the conclusion of the ensuing AGM till the conclusion of 35<sup>th</sup> AGM.
- Approval for re-appointment of Mr. Vimal Bhandari (DIN: 00001318), as a Non Executive Independent Director under section 149, 150, 152 and

any other applicable provisions of the Companies Act, 2013 for second term of 5 consecutive years from the conclusion of the ensuing AGM till the conclusion of 35<sup>th</sup> AGM.

- Approval for re-appointment of Mr. Sunil K. Munjal (DIN: 00003902), as a Non Executive Independent Director under section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for second term of 5 consecutive years from the conclusion of the ensuing AGM till the conclusion of 35<sup>th</sup> AGM.
- Approval to increase in the borrowings limit to the extent of Rs. 5000 Crores (Rupees Five Thousand Crores Only) under Section 180(1)(c) of the Companies Act, 2013.
- Approval to create security on the assets of the Company to the extent of Rs. 5000 Crores (Rupees Five Thousand Crores Only) under Section 180(1)(a) of the Companies Act, 2013.

#### AGM 2018

- Approval for re-appointment of Mr. Ajay S. Shriram (DIN : 00027137), Chairman and Senior Managing Director under Sections 196, 197, 203, 188(1)(f) and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V thereof for a period of five years w.e.f. 01.11.2018.
- Approval for re-appointment of Mr. Vikram S. Shriram (DIN : 00027187), Vice Chairman and Managing Director under Sections 196, 197, 203, 188(1)(f) and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V thereof for a period of five years w.e.f. 01.11.2018.
- Approval for appointment of Mr. K.K. Sharma (DIN : 07951296) as Whole Time Director (EHS) under Sections 196, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V thereof for a period of five years w.e.f. 20.11.2017.
- Approval for revision in the maximum limit of remuneration of Mr. Aditya A. Shriram, a relative of Chairman and Senior Managing Director, pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder.

#### SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT

- During the financial year 2020-21, no Special Resolution was passed through Postal Ballot.
- As on date, no Special Resolution is proposed to be conducted through Postal Ballot.

#### (H) Means of Communication

The Company interacts with its Investors through multiple forms of corporate and financial communications such as annual reports, result announcements and media releases. Quarterly results are usually published in English and Hindi daily newspapers, viz., Business Standard. These results are also made available on the website of the Company [www.dcmshriram.com](http://www.dcmshriram.com) and also posted at the online portal

of NSE and BSE. The Company's website also displays official news releases and presentations made to the Institutional Investors or to the Analysts. The Company has interacted with analysts and investors during the year under review through VC and conference calls.

#### (I) General Shareholders Information

- (i) Next Annual General Meeting is proposed to be held on 20.07.2021 through video conferencing.
- (ii) Financial Year: 1<sup>st</sup> April to 31<sup>st</sup> March.
- (iii) Dividend: Dividend, if declared in the ensuing Annual General Meeting, will be paid within 30 days from the date of declaration to those Members whose names appear in the Register of Members on the date of book closure.
- (iv) Listing of Equity Shares and Stock Codes

The names of Stock Exchanges at which Company's Shares are listed, Symbol/Script Code and status of payment of listing fees are as under:

Name and Address of the Stock Exchange	Script Symbol/ Code	Status of fee paid
National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051	DCMSHRIRAM	Paid
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	523367	Paid

Under the depository system, the ISIN allotted to the Company's Equity Shares of face value of Rs.2/- each is INE499A01024.

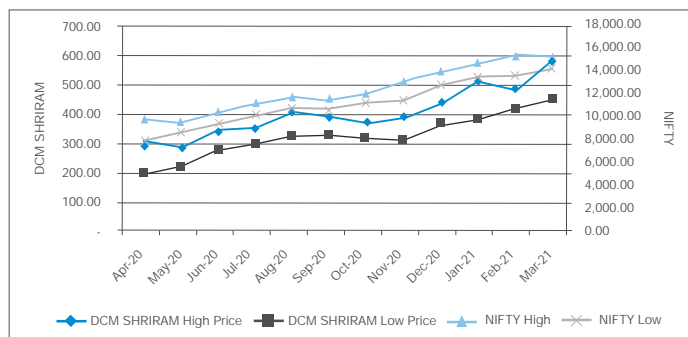
#### (v) Listing of Commercial Papers

During the year ended 31<sup>st</sup> March, 2021, the Company listed the following Commercial papers issued by it, in accordance with the SEBI Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22<sup>nd</sup> October, 2019.

Ref. No:	Date of Issue	Amount (Cr.)	ISIN	Maturity Date
1	21-Apr-20	1,000,000,000	INE499A14CD9	20-Jul-20
2	28-Apr-20	1,000,000,000	INE499A14CE7	27-Jul-20
3	28-May-20	500,000,000	INE499A14CF4	26-Aug-20
4	12-Jun-20	500,000,000	INE499A14CG2	10-Sep-20
5	13-Jul-20	500,000,000	INE499A14CH0	28-Sep-20
6	21-Aug-20	500,000,000	INE499A14CI8	19-Nov-20
7	22-Oct-20	500,000,000	INE499A14CJ6	21-Jan-21
8	12-Nov-20	500,000,000	INE499A14CK4	10-Feb-21
9	28-Dec-20	500,000,000	INE499A14CL2	26-Mar-21
10	18-Feb-21	500,000,000	INE499A14CM0	20-May-21

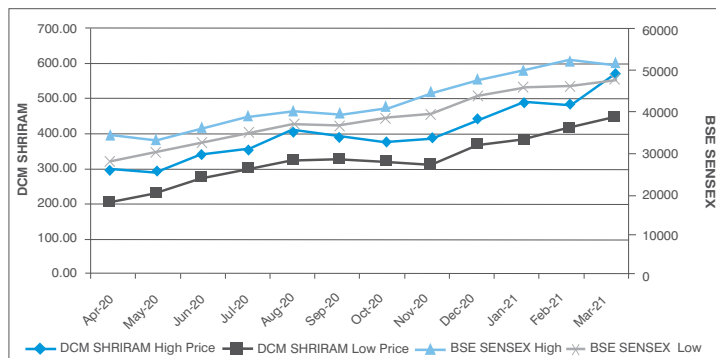
#### (vi) Equity Share Price data for the year 2020-21 Equity Share Price on NSE and NIFTY Index

Month	DCM Shriram		NIFTY	
	High	Low	High	Low
Apr-20	298.00	204.00	9,889.05	8,055.80
May-20	290.05	229.05	9,598.85	8,806.75
Jun-20	345.00	281.00	10,553.15	9,544.35
Jul-20	354.90	303.30	11,341.40	10,299.60
Aug-20	408.95	328.10	11,794.25	10,882.25
Sep-20	394.50	328.65	11,618.10	10,790.20
Oct-20	375.20	323.10	12,025.45	11,347.05
Nov-20	392.25	315.10	13,145.85	11,557.40
Dec-20	445.10	370.15	14,024.85	12,962.80
Jan-21	515.55	385.05	14,753.55	13,596.75
Feb-21	485.95	420.45	15,431.75	13,661.75
Mar-21	577.95	452.95	15,336.30	14,264.40



#### Equity Share Price on BSE and BSE SENSEX

Month	DCM Shriram		BSE SENSEX	
	High	Low	High	Low
Apr-20	300.65	204.10	33,887.25	27,500.79
May-20	291.00	229.05	32,845.48	29,968.45
Jun-20	344.00	277.00	35,706.55	32,348.10
Jul-20	354.70	303.00	38,617.03	34,927.20
Aug-20	408.75	325.00	40,010.17	36,911.23
Sep-20	394.05	328.45	39,359.51	36,495.98
Oct-20	379.95	322.95	41,048.05	38,410.20
Nov-20	391.65	315.00	44,825.37	39,334.92
Dec-20	445.35	370.30	47,896.97	44,118.10
Jan-21	494.95	383.80	50,184.01	46,160.46
Feb-21	486.20	420.50	52,516.76	46,236.35
Mar-21	577.70	453.05	51,821.84	48,236.35



(vii) **Registrar and Share Transfer Agent:** M/s. MCS Share Transfer Agent Limited is the Registrar and Share Transfer Agent for shares of the Company - both in physical and electronic mode.

(viii) **Share Transfer System:** The Company's shares are traded in the Stock Exchanges compulsorily in DEMAT mode.

(ix) **Distribution of Shareholding as on 31.03.2021**

No. of Shares		Shareholders	
From	To	Number	% to total no. of Shareholders
1	500	3198982	88.9912
501	1000	1640744	5.3721
1001	2000	1658484	2.7828
2001	3000	956977	0.9358
3001	4000	660966	0.4605
4001	5000	528746	0.2793
5001	10000	1487706	0.5046
10001	50000	4233873	0.4973
50001	100000	1852266	0.0637
100001 and Above		139723552	0.1127
<b>Total</b>		<b>155942296</b>	<b>100.00</b>

(x) **Dematerialisation of Equity Shares and liquidity**

As on 31.03.2021, 98.62% of the total eligible Equity Shares were in dematerialized form and the balance 1.38% shares in physical form.

The Company has not issued any GDRs/ADRs/warrants or any convertible instruments, which are pending for conversion.

(xi) **Commodity price risk or foreign exchange risk and hedging activities**

The Company's operations are mainly in India and therefore rupee denominated, except the foreign currency denominated loans (Long Term and Short Term) and Imports of some raw materials, stores & spares and capital goods. These liabilities are mostly fully hedged against foreign currencies.

(xii) **Covid-19**

The impact of Covid-19 pandemic continued to be in force in the Country during current year also. The details of impact on operations of the Company and steps taken by the Company to mitigate the impact of Covid-19 are described in the Management Discussion and Analysis Report which forms part of this Annual Report and is provided in a separate section.

(xiii) **Plant Locations**

The Company's plants are located at Ajbapur, Rupapur, Hariawan, Loni (U.P.), Bharuch (Gujarat), Kota, Bhiwadi (Rajasthan), Hyderabad (Telangana) and Chennai (Tamil Nadu).

(xiv) **Address for Correspondence**

The Company's Registered Office is situated at 2<sup>nd</sup> Floor, (West Wing) Worldmark 1, Aerocity, New Delhi-110037

Correspondence by the shareholders should be addressed to:

(a) MCS Share Transfer Agent Limited  
F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I,  
New Delhi - 110020  
Tel. Nos. : 011-41406149 to 41406152  
Fax No.: 011-41709881  
E-mail : [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com)/  
[admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)

(b) Exclusive E-mail for Investor Complaints (excluding Institutional Investors) : [shares@dcmshriram.com](mailto:shares@dcmshriram.com)  
Members holding shares in electronic mode should address all their correspondence to their respective Depository Participants.

(xv) **List of all credit ratings obtained:-**

Sr. No.	Particular	Rating
1.	Commercial Paper	A1+ (ICRA & CRISIL)
2.	Short Term	A1+ (ICRA)
3.	Long Term	AA (ICRA)
4.	Fixed Deposit	MAA + (ICRA)

(J) **Other disclosures**

- There were no transactions of material nature with related parties during the year that had potential conflict with the interest of the Company at large.
- There were no instances of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital markets during the last three years.
- The Company has established a Vigil Mechanism/Whistle Blower Policy as per the requirement of the SEBI Listing Regulations, 2015 and the Companies Act, 2013. It is affirmed that no personnel was denied access to the Audit Committee.

- (iv) The Company is complying with all the mandatory requirements of SEBI Listing Regulations, 2015 as applicable.
- (v) The Company has formulated a Policy for determining 'Material' Subsidiaries, which is also available on the Company's website at the following web link:  
<https://www.dcmshriram.com/sites/default/files/MATERIAL%20SUBSIDIARY%20POLICY%20-%20FINAL.pdf>
- (vi) The Company has formulated a Policy on dealing with Related Party Transactions, which is also available on the Company's website at the following web link:  
[https://www.dcmshriram.com/sites/default/files/Related%20Party%20Transaction%20Policy%20-%20FINAL\\_0.pdf](https://www.dcmshriram.com/sites/default/files/Related%20Party%20Transaction%20Policy%20-%20FINAL_0.pdf)
- (vii) The Company has obtained a certificate from Mukta Kheterapal & Co., Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- (viii) The details of total fees for all services paid to the Statutory Auditors and its network firm/entity (registered with the ICAI as Chartered Accountant) during the year ended 31.03.2021 are as below:

Particulars	Amount (In Lakhs)
Statutory audit	135.00*
Tax audit	19.70
Limited reviews	58.00
Other certification services	50.41*
<b>Total</b>	<b>263.11</b>

\*includes fee related to a jointly controlled entity.

- (ix) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year	Number of Complaints disposed off during the Financial Year	Number of complaints pending as on end of the financial year
1	1	0

- (x) The Company is in compliance with Corporate Governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI Listing Regulations, 2015.

**(K) Code of Conduct for Board Members & Senior Management Team**

In compliance to the provisions of SEBI Listing Regulations, 2015, the Board has laid down a Code of Conduct for all Board Members and Senior Management Team. A copy of the said Code of Conduct is available on the Company's website at the following web link:

<http://www.dcmshriram.com/code-of-conduct>

All Board Members and Senior Management Team have affirmed compliance of Code of Conduct as on 31.3.2021 and a declaration to that effect signed by Chairman & Senior Managing Director is attached and forms part of this report.

(AJAY S. SHRIRAM)

Place : New Delhi  
Date : 4.5.2021

Chairman & Sr. Managing Director  
DIN : 00027137

**Declaration regarding Compliance of Code of Conduct**

I, **Ajay S. Shriram, Chairman & Senior Managing Director and CEO of DCM Shriram Limited** hereby declare that all Board Members and Senior Management Team have affirmed compliance of the Code of Conduct for the year ended March 31, 2021.

Place : New Delhi  
Date : 4.5.2021

(AJAY S. SHRIRAM)  
Chairman & Sr. Managing Director  
DIN : 00027137

## Auditors' Certificate regarding compliance of conditions of Corporate Governance

To

**The Members of DCM Shriram Limited**

This certificate is issued in accordance with the terms of our agreement dated April 22, 2021.

We have examined the compliance of conditions of Corporate Governance by **DCM Shriram Limited**, for the year ended March 31, 2021 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

For and on behalf of  
Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants

UDIN : 21086994AAAAAK4844

Place: Gurugram

Date: 4.5.2021

Harinderjit Singh  
Partner  
Membership No.: 086994

# Independent Auditor's Report

## To the Members of DCM Shriram Limited

Report on the audit of the Standalone financial statements

### Opinion

1. We have audited the accompanying standalone financial statements of DCM Shriram Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for opinion

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

### Key Audit Matters

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

Key Audit Matter	How our audit addressed the key Audit Matter
<p>4.1 Determination of carrying value of inventory of sugar, including related joint and other products as at the year ended March 31, 2021 (Refer to the accompanying notes 1.3 (f), 6 and 52 forming integral part of the Standalone Financial Statements)</p> <p>As on March 31, 2021, the Company had an inventory of sugar and related products i.e., molasses, ethanol, etc. with a carrying value of Rs.1,218.53 crores. During the previous year, the Company had commenced production of ethanol at its Distillery units using a particular type of molasses (B-heavy, a product produced along with sugar).</p> <p>Sugar and B-heavy molasses have been recognised as joint products and the cost of production has been allocated between these joint products based on technical estimates.</p> <p>We considered the determination of carrying value of the inventory (i.e., lower of cost and NRV) of joint products, sugar and B-heavy molasses as a Key Audit Matter given the relative size in the standalone financial statements and significant judgement involved in analysing the relevant factors such as basis for classification of B-heavy molasses as a joint product, determination of a rational basis for allocation of cost i.e., on technical estimates, between the joint products in calculating the cost of inventories and NRV determined basis minimum sale price, monthly quota, fluctuation in selling prices and the related notifications of the Government authorities.</p>	<p>We understood the design and tested the operating effectiveness of controls as established by the management in determination of cost for joint products and estimated net realizable value of inventory of sugar and related products.</p> <p>We considered various factors including technical assessment of the management, industry practice, significance of the products, manufacturing objective in determination of classification of the products as 'joint products'; the relative net realisable value of sugar and B- heavy molasses based ethanol in determination of a rational basis for allocation of cost between the joint products; and the actual selling price prevailing prior and subsequent to the year end, minimum selling price, monthly quota and other notifications of the Government of India, initiatives taken by the Government with respect to sugar industry as a whole.</p> <p>Based on the above procedures performed, the carrying value and existence of inventory of sugar and related products as at the year-end determined by the management is considered to be reasonable.</p>



# Independent Auditor's Report

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>4.2 Assessment of impairment of investments and loans/advances given to subsidiaries</b> (Refer to the accompanying notes 1.4(iii), 3.1,3.2, 7.4, 9, 25, 31 and 52 forming integral part of the Standalone Financial Statements)</p> <p>The Company has given loans and advances to subsidiaries aggregating to Rs. 182.78 crores as at March 31, 2021, and has investments amounting to Rs. 150.86 crores in this regard.</p> <p>These subsidiaries have incurred loss during the year and as at the year end their net worth stands substantially eroded which indicates potential impairment of investment in those subsidiaries along with loans and advances given to such subsidiaries.</p> <p>The Company has recognized impairment of Rs 123.14 crores as at March 31, 2021 (including Rs Nil during the year) against the above investments and loans and advances.</p> <p>We considered this a Key Audit Matter given the relative significance of value of investment and loans and advances to the standalone financial statements and extent of management's judgements and estimates involved such as future cash flows, discount rate, terminal value and economic growth rates etc. around the impairment assessment done by the management.</p>	<p>We understood the design and tested the operating effectiveness of controls as established by management in determination of appropriateness of the carrying value of investments, loans and advances.</p> <p>We evaluated the Company's process regarding impairment assessment by involving our valuation experts (auditor's expert) to assist in assessing the appropriateness of the impairment model including the independent assessment of the underlying assumptions relating to discounts rate, economic growth rate, terminal value, sensitivity analysis etc. and also evaluated the cash flow forecasts (with underlying economic growth rate) by comparing them to the updated budgets provided by the management.</p> <p>We checked the mathematical accuracy of the impairment model and the appropriate accounting in the standalone financial statements.</p> <p>Based on the above procedures performed, we observed the management's impairment assessment related to loans / advances given to subsidiaries to be reasonable.</p>
<p><b>4.3 Impact of government policies/ notifications on recognition of subsidy accruals/claims and their recoverability</b> (Refer to the accompanying notes 1.3 (g)(ii), 1.4(v)(b), 19, 29, 45.1 and 52 forming integral part of the Standalone Financial Statements)</p> <p>During the year, the Company has recognized accruals/subsidy claims amounting to Rs.683.98 crores (net) and as at March 31, 2021, the Company has receivables of Rs. 153.07 crores relating to such claims which is significant to the standalone financial statements.</p> <p>We focused on this area because recognition of accruals/claims and assessment of recoverability of the claims is subject to significant judgement of the management. The area of judgement includes certainty around the satisfaction of conditions specified in the notifications/policies, collections, provisions thereof, likelihood of variation in the estimation of the related computation rates and the final notification, and basis for determination of accruals/claims.</p>	<p>We understood the design and tested the operating effectiveness of controls as established by management in recognition and assessment of the recoverability of the claims.</p> <p>We evaluated the management's assessment regarding reasonable certainty for complying with the relevant conditions as specified in the Notifications / policies and collections.</p> <p>We considered the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of accruals/claims, adjustments to claims already recognised pursuant to changes in the rates and basis for determination of claims.</p> <p>We tested the ageing analysis and assessed the information used by the management to determine the recoverability of the claims by considering historical trends of collection against claims, the level of credit loss charged over time, provisions created and reversal thereof in the financial statements.</p> <p>Based on the above procedures performed, the management's estimates related to recognition of subsidy accruals/claim and their recoverability are considered to be reasonable.</p>
<p><b>4.4 Appropriateness of Carrying amount of deferred tax assets relating to Minimum Alternate Tax (MAT) credit</b> (Refer to the accompanying notes 1.3 (m), 1.4(iv), 4, 26, 42 and 52 forming integral part of the Standalone Financial Statements)</p> <p>The Company has recognised deferred tax assets on the unutilised tax credits, representing Minimum Alternate Tax (MAT) paid on the accounting profit in earlier years over and above the normal taxable profit, in accordance with the provisions of Section 115JB of the Income-tax Act, 1961 and related rules. The carrying amount of MAT Credit,</p>	<p>We understood the design and tested the operating effectiveness of Company's controls relating to taxation and the assessment of carrying amount of deferred tax assets.</p> <p>We reviewed the Company's accounting policy in respect of recognizing deferred tax assets on unutilised MAT credits.</p> <p>We evaluated whether the tax credit entitlements are legally available to the Company in respect of the future years, as estimated by the management while projecting the taxable profits, considering to the provisions of Income-tax Act, 1961.</p>

# Independent Auditor's Report

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>included under Deferred Tax Assets (net) is Rs. 393.72 crores as at the balance sheet date.</p> <p>We considered this as a Key Audit Matter as the assessment of the appropriateness of the carrying amount of deferred tax asset relating to MAT involves significant management judgement in assessing the availability of future taxable profits to offset the accumulated MAT credits, assessment of assumptions (internal / external factors) underlying the future profit projections to establish reasonable certainty around utilization of the asset.</p>	<p>We assessed the reasonableness of the assumptions underlying management's profit projections such as the growth rates in light of the relevant economic and industry indicators.</p> <p>We also assessed the sensitivity analysis applied by the Company and evaluated if any change in the assumptions will lead to any material change in carrying amount. We checked the mathematical accuracy of the underlying calculations of the profit projections. We also evaluated the adequacy and appropriateness of disclosures made in the standalone financial statements.</p> <p>Based on the above procedures performed, the carrying amount of deferred tax assets, including disclosure relating to MAT credit, are considered to be reasonable.</p>

## Other Information

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual 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 misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the standalone financial statements

- The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate

accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- 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 the standalone financial statements

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

# Independent Auditor's Report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. 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.
  13. 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.
  14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these

matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other legal and regulatory requirements

15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. 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 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 written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 28 to the standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

# Independent Auditor's Report

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.
17. 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.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

Harinderjit Singh

Partner

Place: Gurugram

Date: May 04, 2021

Membership Number: 086994

UDIN: 21086994AAAAA19097

## [Annexure A to Independent Auditors' Report](#)

### [Referred to in paragraph 16 \(f\) of the Independent Auditors' Report of even date to the members of DCM Shriram Limited on the standalone financial statements for the year ended March 31, 2021](#)

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

1. We have audited the internal financial controls with reference to financial statements of DCM Shriram Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### [Management's Responsibility for Internal Financial Controls](#)

2. The Company's management 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### [Auditors' Responsibility](#)

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our

audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### [Meaning of Internal Financial Controls with reference to financial statements](#)

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

# Independent Auditor's Report

## Inherent Limitations of Internal Financial Controls with reference to financial statements

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

## Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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 Price Waterhouse Chartered Accountants LLP  
 Firm Registration Number: 012754N/N500016  
 Chartered Accountants  
 Harinderjit Singh

Place: Gurugram Partner  
 Date: May 04, 2021 Membership Number: 086994  
 UDIN: 21086994AAAAA19097

## Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of DCM Shriram Limited on the standalone financial statements as of and for the year ended March 31, 2021

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets (property, plant and equipment) are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets (property, plant and equipment) has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

- (c) The title deeds of immovable properties, as disclosed in Note 2.1 on fixed assets (property, plant and equipment) to the financial statements, are held in the name of the Company, except for in case where such immovable properties have been transferred pursuant to the scheme of amalgamation under section 391 to 394 of the Companies Act, 1956, the transfer is through the Order of the Hon'ble High Courts. Further, freehold land located at Hyderabad (Gross block - Rs. 1.56 crores and Net block - Rs. 1.56 crores) and freehold land located at Uttar Pradesh (Gross block - Rs. 0.31 crores and Net block - Rs. 0.31 crores) are pending for registration in favour of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management of certain types of inventories during the year/at the year-end. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made and guarantees and security provided by it.
- v. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products related to Sugar, Cement, Fertiliser, Chemicals, Poly vinyl chloride (PVC) resin, Unplasticized polyvinyl chloride (UPVC) Doors and windows and electrical energy businesses. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

## Independent Auditor's Report

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 28(i)(b) to the financial statements regarding management's assessment on certain matters relating to provident fund.

Further, for the period April 01, 2020 to May 31, 2020, the Company has paid Goods and Service Tax and filed GSTR 1 and GSTR 3B, after the due date but within the timelines allowed by Ministry of Finance under the Notification No. 35/2020- GST dated April 03, 2020 on fulfilment of conditions specified therein.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. in crores)	Amount paid under protest (Rs. in crores)	Amount Unpaid (Rs. in crores)
Central Excise Act, 1944	Excise duty	Customs, Excise and Service Tax Appellate Tribuna	2008-09, 2011-12, 2012-13, 2016-17	0.54	-	0.54
Central Excise Act, 1944	Excise duty	Appellate Authority upto Commissioner's level	2009-2010, 2010-11, 2011-12	0.06	-	0.06
Finance Act, 1994	Service Tax	Appellate Authority upto Commissioner's level	2005-06, 2016-17	0.31	-	0.31
Sales Tax Laws	Sales Tax	Asst. Commissioner, Commercial tax department	2011-12	0.12	0.05	0.07
Sales Tax Laws	Sales Tax	Rajasthan State Board	2011-12	0.28	0.28	-
Sales Tax Laws	Sales Tax	Appellate Authority upto Commissioner's level	1999-2000, 2000-01, 2001-02, 2002-03, 2004-05, 2007-08, 2015-16, 2016-17	1.48	0.44	1.04
Customs duty Act, 1962	Customs duty	Customs, Excise and Service Tax Appellate Tribunal	2012-2013	9.82	0.62	9.20
Customs duty Act, 1962	Customs duty	Appellate Authority upto Commissioner's level	2012-13, 2014-15 and 2018-19	0.05	-	0.05

The following matters have been decided in favour of the Company although the Departments have preferred appeal at higher levels.

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in crores)
Central Excise Act, 1944	Excise	High Court	2005-06, 2008-09, 2011-12, 2012-13	4.68
Central Excise Act, 1944	Excise	Customs, Excise and Service Tax Appellate Tribunal	2012-13, 2013-14, 2014-15	0.05
Central Excise Act, 1944	Excise	Up to Commissioner level	2005-06, 2015-16, 2016-17	0.50
Finance Act, 1994	Service Tax	Supreme Court	2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13	31.66
Sales Tax Laws	Sales Tax	Supreme Court	2000-01, 2003-04	17.05

# Independent Auditor's Report

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. crores)
Sales Tax Laws	Sales Tax	High Court	2005-06, 2006-07, 2007-08	0.85
Sales Tax Laws	Sales Tax	Appellate Authority upto Commissioner's level	2007-08, 2015-16	0.01
Income Tax Act	Income Tax	High Court	2001-02	1.99

Also refer Note 36 to the financial statements.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. 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. Also refer paragraph 17 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in Note 31 to the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP  
 Firm Registration Number: 012754N/N500016  
 Chartered Accountants  
 Harinderjit Singh  
 Partner  
 Membership Number: 086994  
 UDIN: 21086994AAAAAI9097

Place: Gurugram  
 Date: May 04, 2021

## Standalone Balance Sheet As At March 31, 2021

	Note	As at March 31, 2021 Rs. Crores	As at March 31, 2020 Rs. Crores
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.1	3,237.03	3,357.76
Capital work -in- progress	2.1	103.40	51.51
Investment property	2.2	0.41	6.44
Intangible assets	2.3	13.08	18.36
Intangible assets under development	2.3	5.77	8.06
Financial assets			
Investments	3.1	74.79	74.79
Loans	3.2	129.75	124.01
Other financial assets	3.3	39.04	42.15
Deferred tax assets (net)	4	3.32	60.13
Other non-current assets	5	72.84	26.79
Total non-current assets		<u>3,679.43</u>	<u>3,770.00</u>
<b>Current assets</b>			
Inventories	6	1,761.87	2,143.68
Financial assets			
Trade receivables	7.1	450.98	1,069.47
Cash and cash equivalents	7.2	840.48	524.27
Bank balances other than cash and cash equivalents	7.3	463.60	17.18
Loans	7.4	23.36	32.07
Other financial assets	7.5	237.14	233.93
Current tax assets (net)	8	41.01	40.02
Other current assets	9	201.21	228.40
Total current assets		<u>4,019.65</u>	<u>4,289.02</u>
Assets classified as held for sale	10	69.39	83.75
<b>Total assets</b>		<u>7,768.47</u>	<u>8,142.77</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	31.35	31.35
Other equity	12	4,661.47	4,073.99
Total equity		<u>4,692.82</u>	<u>4,105.34</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	13.1	1,012.17	974.66
Other financial liabilities	13.2	50.88	97.03
Provisions	14	243.25	240.96
Other non-current liabilities	15	10.13	17.94
Total non-current liabilities		<u>1,316.43</u>	<u>1,330.59</u>
Current liabilities			
Financial liabilities			
Borrowings	16.1	276.67	1,069.82
Trade payables	16.2		
- total outstanding dues of micro enterprises and small enterprises		26.44	13.14
- total outstanding dues of creditors other than micro enterprises and small enterprises		642.04	897.08
Other financial liabilities	16.3	337.68	304.81
Provisions	17	58.48	51.23
Other current liabilities	18	398.86	356.59
Total current liabilities		<u>1,740.17</u>	<u>2,692.67</u>
Liabilities associated with assets classified as held for sale		19.05	14.17
<b>Total equity and liabilities</b>		<u>7,768.47</u>	<u>8,142.77</u>

The accompanying notes form an integral part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

Harinderjit Singh  
Partner  
Membership No. 086994  
Place: Gurugram  
Date: May 4, 2021

Sameet Gambhir  
Company Secretary  
Place: New Delhi

Amit Agarwal  
Chief Financial Officer  
Place: New Delhi

Pradeep Dinodia  
Director  
DIN: 00027995  
Place: New Delhi

Ajay S. Shriram  
Chairman & Sr. Managing Director  
DIN: 00027137  
Place: New Delhi



## Statement of Standalone Profit and Loss For The Year Ended March 31, 2021

	Note	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	19	8,211.99	7,671.96
Other income	20	89.67	101.01
<b>Total income</b>		<b>8,301.66</b>	<b>7,772.97</b>
<b>Expenses</b>			
Cost of materials consumed		3,315.55	3,277.41
Purchases of stock-in-trade		797.75	746.48
Changes in inventories of finished goods, stock-in-trade and work-in-progress	21	385.92	(215.14)
Employee benefits expense	22	715.98	699.53
Finance costs	23	121.79	159.94
Depreciation and amortisation expense	24	229.86	215.05
Other expenses	25	1,859.04	1,966.40
<b>Total Expenses</b>		<b>7,425.89</b>	<b>6,849.67</b>
Profit before tax		875.77	923.30
Tax expense	26		
- Current tax		173.06	116.21
- Deferred tax		38.59	72.25
- Tax adjustments related to earlier years		1.64	(8.83)
<b>Total tax expense</b>		<b>213.29</b>	<b>179.63</b>
Profit after tax		662.48	743.67
<b>Other comprehensive income</b>			
(i) Items that will not be re-classified to profit or loss:	32 (ii)		
- Remeasurements of defined benefit obligation		6.90	(13.15)
Income tax relating to items that will not be re-classified to profit or loss		(2.41)	5.48
(ii) Items that may be re-classified to profit or loss:			
- Effective portion of gain and loss on designated portion of hedging instruments in a cash flow hedge		3.62	(4.23)
Income tax relating to items that may be re-classified to profit or loss		(1.27)	1.48
<b>Total other comprehensive income (net of tax)</b>		<b>6.84</b>	<b>(10.42)</b>
<b>Total comprehensive Income</b>		<b>669.32</b>	<b>733.25</b>
<b>Earnings per equity share-basic/diluted (Rs.) (Face value Rs 2 per share)</b>	27	<b>42.48</b>	<b>47.69</b>

The accompanying notes form an integral part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

Harinderjit Singh

Partner

Membership No. 086994

Place: Gurugram

Date: May 4, 2021

Sameet Gambhir

Company Secretary

Place: New Delhi

Amit Agarwal

Chief Financial Officer

Place: New Delhi

Pradeep Dinodia

Director

DIN: 00027995

Place: New Delhi

Ajay S. Shriram

Chairman & Sr. Managing Director

DIN: 00027137

Place: New Delhi

## Statement of Standalone Changes In Equity For The Year Ended March 31, 2021

	Equity Share Capital	Other Equity						Total Other Equity	Total Equity
		Reserves and Surplus					Other comprehensive income		
		Capital redemption reserve	Storage fund for molasses account	General Reserve	Surplus in Statement of profit and loss	Shares held by Trust under ESPS Scheme			
As at April 1, 2019	31.35	10.40	1.04	612.58	2,905.14	(7.47)	(0.28)	3,521.41	3,552.76
Profit for the year	-	-	-	-	743.67	-	-	743.67	743.67
Movements related to employees stock purchase scheme	-	-	-	1.71	-	-	-	1.71	1.71
Dividend on shares held by ESPS trust	-	-	-	-	1.62	-	-	1.62	1.62
Dividends on equity shares (Rs 9.80 per equity share)	-	-	-	-	(152.83)	-	-	(152.83)	(152.83)
Corporate dividend tax	-	-	-	-	(31.41)	-	-	(31.41)	(31.41)
Shares granted to employees under ESPS	-	-	-	-	-	0.24	-	0.24	0.24
Transfer to/(from) storage fund for molasses	-	-	0.36	-	(0.36)	-	-	-	-
Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	(7.67)	-	-	(7.67)	(7.67)
Effective portion of gain and losses on designated portion of hedging instruments in a cash flow hedge (net of tax)	-	-	-	-	-	-	(2.75)	(2.75)	(2.75)
As at March 31, 2020	31.35	10.40	1.40	614.29	3,458.16	(7.23)	(3.03)	4,073.99	4,105.34
Profit for the year	-	-	-	-	662.48	-	-	662.48	662.48
Movements related to employees stock purchase scheme	-	-	-	1.74	-	-	-	1.74	1.74
Dividend on shares held by ESPS trust	-	-	-	-	0.86	-	-	0.86	0.86
Dividends on equity shares (Rs 5.50 per equity share)	-	-	-	-	(85.77)	-	-	(85.77)	(85.77)
Shares granted to employees under ESPS	-	-	-	-	-	1.33	-	1.33	1.33
Transfer to/(from) storage fund for molasses	-	-	0.56	-	(0.56)	-	-	-	-
Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	4.49	-	-	4.49	4.49
Effective portion of gain and losses on designated portion of hedging instruments in a cash flow hedge (net of tax)	-	-	-	-	-	-	2.35	2.35	2.35
As at March 31, 2021	31.35	10.40	1.96	616.03	4,039.66	(5.90)	(0.68)	4,661.47	4,692.82

The accompanying notes form an integral part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

Harinderjit Singh  
Partner  
Membership No. 086994  
Place: Gurugram  
Date: May 4, 2021

Sameet Gambhir  
Company Secretary  
Place: New Delhi

Amit Agarwal  
Chief Financial Officer  
Place: New Delhi

Pradeep Dinodia  
Director  
DIN: 00027995  
Place: New Delhi

Ajay S. Shriram  
Chairman & Sr. Managing Director  
DIN: 00027137  
Place: New Delhi

# Standalone Cash Flow Statement

For The Year Ended March 31, 2021

	Year ended March 31, 2021 Rs. Crores	Year ended March 31, 2020 Rs. Crores
<b>A. Cash flow from operating activities</b>		
Net profit after tax:	662.48	743.67
Adjustments for :		
Income tax expense recognized in profit or loss	213.29	179.63
Depreciation and amortization expense	229.86	215.05
Net gain on financial assets and liquid investments	(14.69)	(29.21)
(Profit)/Loss on sale of property, plant and equipment (including assets held for sale)	(3.48)	17.22
Provision/(write back) for credit impaired receivables (net)	5.20	(22.99)
Provision for credit impaired loans and advances (net)	3.68	22.02
Provision for credit impaired other financial assets (net)	28.95	-
Provision/(reversal) for impairment in value of assets (including assets held for sale)	(5.05)	5.60
Finance costs	121.79	159.94
Interest income	(30.10)	(15.19)
Operating profit before working capital changes	1,211.93	1,275.74
Changes in operating assets and liabilities:		
Decrease/(Increase) in Trade receivables	613.43	(22.80)
(Increase) in Loans and advances	(8.51)	(21.59)
(Increase) in Other financial assets	(14.70)	(115.52)
Decrease/(Increase) in Inventories	381.81	(254.59)
Decrease in Other current/non-current assets	29.05	13.40
(Decrease) in Trade payables	(241.74)	(211.97)
Increase in Provisions	16.44	24.82
Increase/(Decrease) in Other financial liabilities	6.50	(4.08)
Increase/(Decrease) in Other current/non-current liabilities	34.46	(18.71)
Cash generated from operations	2,028.67	664.70
Income taxes paid (net of refunds)	(159.79)	(163.19)
<b>Net cash from operating activities</b>	<b>1,868.88</b>	<b>501.51</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (includes borrowing cost capitalised Rs 2.60 crores; 2019-20 - Rs 21.46 crores)	(249.79)	(589.57)
Purchase of intangible assets	(2.44)	(11.70)
(Increase)/Decrease in Bank deposits and current account balances with banks (Earmarked for unpaid dividend, margin money and deposit with banks for specific purpose)	(0.34)	9.04
(Increase) in Callable bank deposits (having original maturity more than 3 months)	(446.08)	-
Sale of property, plant and equipment	5.15	7.12
Proceeds from asset held for sale	24.74	18.03
Decrease/(Increase) in Loans and advances to subsidiary companies	4.47	(3.80)
Interest received	18.65	14.18
Profit on sale of investments	6.21	31.27
Proceeds from sale of subsidiary	0.35	-
<b>Net cash used in investing activities</b>	<b>(639.08)</b>	<b>(525.43)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds/(Repayment) from/of Long term borrowings	112.84	(7.35)
Proceeds/(Repayment) from/of Short term borrowings	(792.87)	705.41
(Repayment) of loans repayable on demand from banks	(0.28)	(174.93)
Dividends paid	(85.77)	(152.83)
Corporate dividend tax paid	-	(31.41)
Principal payment of lease liabilities (refer note 34)	(13.54)	(13.71)
Interest paid on lease liabilities (refer note 34)	(7.89)	(9.09)
<b>Finance costs paid</b>	<b>(126.08)</b>	<b>(131.72)</b>
<b>Net cash from financing activities</b>	<b>(913.59)</b>	<b>184.37</b>
Net increase in cash and cash equivalents	316.21	160.45
Cash and cash equivalents at the beginning of the year	524.27	363.82
Cash and cash equivalents at the end of the year (excluding callable bank deposits)	840.48	524.27

Note: Cash flow statements are prepared in accordance with 'indirect method' as per IndAS 7 - 'Statement of Cash Flows'

Reconciliation of cash and cash equivalents as per the Cash flow statement

Cash and cash equivalents as per above comprise of the following:

Cash and cash equivalents (refer note 7.2)

Balances as per statement of cash flows

840.48	524.27
840.48	524.27

The accompanying notes form an integral part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

Harinderjit Singh

Partner

Membership No. 086994

Place: Gurugram

Date: May 4, 2021

Sameet Gambhir

Company Secretary

Place: New Delhi

Amit Agarwal

Chief Financial Officer

Place: New Delhi

Pradeep Dinodia

Director

DIN: 00027995

Place: New Delhi

Ajay S. Shriram

Chairman & Sr. Managing Director

DIN: 00027137

Place: New Delhi

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

## 1.1 Company Overview

DCM Shriram Limited ('the Company') is a public limited company incorporated in India. The Holding company, Sumant Investments Private Limited owns 63.03% of equity share capital of the Company. The registered office of the Company is at 2<sup>nd</sup> Floor (West Wing), World Mark 1, Aerocity, New Delhi – 110037, India.

The financial statements have been approved by Board of Directors in their board meeting dated May 4, 2021.

The business portfolio of the Company comprises of

- Chloro-Vinyl
- Sugar
- Shriram Farm Solutions
- Bioseed
- Fertilisers
- Others: (Fenesta, Cement and Hariyali Kisaan Bazaar)

The Company has presence in various parts of India and its principal place of businesses together with major products are as under:

Business (Products)	Principal places
Chloro- Vinyl (Poly-vinyl chloride, carbide and chlor alkali)	Kota (Rajasthan) and Bharuch (Gujarat)
Sugar (Sugar, molasses ethanol and power)	Ajbapur, Rupapur, Hariawan and Loni at Uttar Pradesh
Shriram Farm Solutions (Trading of agri inputs)	Distribution Network across India
Bioseed (Hybrid seeds)	Hyderabad
Fertilisers (Urea)	Kota (Rajasthan)
Fenesta (UPVC windows and doors)	Kota and Bhiwadi (Rajasthan), Chennai (Tamilnadu), Hyderabad (Telengana)
Cement (Cement)	Kota (Rajasthan)
Hariyali Kisaan Bazaar (Fuel)	Fuel outlets at various parts of India

## 1.2 Basis of preparation of financial statements

The Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ("The Act") and other relevant provisions of the Act, as applicable.

## 1.3 Significant accounting policies

### a) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost of acquisition or construction is inclusive of freight, duties, taxes, other directly attributable incidental expenses and gains or losses on effective portion of cash flow hedges related to purchase in foreign currency and interest on loans attributable to the acquisition or construction of assets up to the date of commissioning of assets.

On the date of transition to Ind AS i.e. April 1, 2015, the Company has opted to measure all of its property, plant and equipment at their previous Generally Accepted Accounting Principles net carrying value and use that net carrying value as its deemed cost.

The Company is following straight line method of depreciation in respect of buildings, plant and equipment and written down value method in respect of other assets.

Depreciation on all tangible assets is provided on the basis of estimated useful life and residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc., which coincides with the useful life as prescribed under Schedule II of the Companies Act 2013 except for certain items of Plant and Equipment.

#### (i) Estimated useful lives:

Asset	Useful life
Buildings:	
- Roads	3-10 years
- Other than roads	30-60 years
Leasehold improvements	5-10 Years
Plant and equipment used in generation, transmission and distribution of power	25-40 years
Plant and equipment (other than used in generation, transmission and distribution of power)	3-40 years
Furniture and fixtures	8-10 Years
Office equipments	5 Years
Vehicles	8-10 Years

#### (ii) Estimated residual value:

Asset	Residual value
Certain electrical equipment	10%
Other assets	0-5%

Depreciation is calculated on a pro-rata basis from the date of additions, except in cases of assets costing up to Rs. 5000 each, where each asset is fully depreciated in the year of purchase. On assets sold, discarded etc. during the year, depreciation is provided up to the date of sale/discard.

### b) Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any. Cost of acquisition is inclusive of duties, taxes, consultancy and other directly attributable incidental expenses.

On the date of transition to Ind AS i.e. April 1, 2015, the Company has opted to measure all of its intangible assets at their previous Generally Accepted Accounting Principles net carrying value and use that net carrying value as its deemed cost.

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

Amortization of intangibles is provided on straight line basis over its estimated useful lives as follows:

Technical know-how	10 years
Software	5 years

On assets sold, discarded etc. during the year, amortization is provided up to the date of sale/discard.

## c) Investment property

Investment property are stated at cost less accumulated depreciation and impairment loss, if any.

Cost of acquisition or construction is inclusive of duties, taxes and incidental expenses and interest on loans attributable to the acquisition/construction of properties up to the date of Commissioning.

On the date of transition to Ind AS i.e. April 1, 2015, the Company has opted to measure all of its investment properties at their previous Generally Accepted Accounting Principles net carrying value and use that net carrying value as its deemed cost.

The Company is following straight line method of depreciation in respect of buildings. Depreciation on buildings is provided on the basis of useful life and residual value estimated by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset etc. The estimated useful life of building is 58-60 years and estimated residual value is 5%.

## d) Assets held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount (cost less accumulated depreciation, if any) on the date of transfer to assets held for sale and fair value assessed on annual basis. Gain for any subsequent increase in fair value less cost to sale of an asset is recognised only upto the extent of cumulative impairment loss that has been recognized.

## e) Leases

### Company as a lessee

The Company at the commencement date recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets in accordance with IndAS 116 'Leases'. The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs etc.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are

discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

### Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease income as and when due as per terms of agreements. The respective leased assets are included in the financial statements based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

## f) Inventories

Inventories, other than By-products, are valued at lower of cost (determined on weighted average basis) and net realisable value. The bases for determining cost for different categories of inventory are as under:

Stores & spares, raw materials and stock-in-trade	Cost of purchases (including other cost incurred in bringing inventory to its present location and condition)
Work-in-Progress and finished goods	Direct Cost (including material, labour etc), conversion cost and appropriate share of overheads. The costs allocation between the joint products is carried out based on technical estimates

By-products are valued at estimated net realisable value

## g) Revenue recognition

i) Sales are recognized, at values as per agreements, net of returns, trade discounts and volume discounts, if any, on transfer of significant risks and rewards of ownership/effective Control to the buyer, which coincides with dispatch/delivery/installation to customers, as applicable. Sales include excise duty but exclude sales tax, value added tax and Goods and Service tax.

ii) Under the retention pricing scheme, the Government of India reimburses to the fertilizer industry, the difference between the retention price based on the cost of production and selling price (as realized from the farmers) as fixed by the Government from time to time, in the form of subsidy. The effect of variation in input costs/expenses on retention price yet to be notified is accounted for by the Company as income for the year based on its ultimate collection with reasonable degree of certainty at the time of accrual.

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

## h) Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

Government grants are recognized where there is reasonable assurance that the Company will comply with the conditions attached to it and that the grants will be received.

Grants are presented as part of income in the statement of profit and loss; alternatively they are deducted in reporting the related expense.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on the prevailing market interest rates.

## i) Employee benefits

### (i) Defined contribution plans

Company's contribution paid/payable during the year to provident fund, superannuation fund and employees' state insurance corporation are recognized in the statement of profit and loss. For the Provident Fund Trust administered by the Company, it is liable to meet the shortfall, if any, in payment of interest at the rates declared by the Central Government, and such liability is recognized in the year of shortfall.

### (ii) Defined benefit plans

The liability recognized in respect of gratuity is the present value of defined benefit obligation at the end of the reporting period less the fair value of plan assets, where applicable. The Company makes contribution to the LIC for Employees Gratuity Scheme in respect of employees of one of the division. The defined benefit obligation is calculated annually by actuary using the Projected Unit Credit Method. Re-measurement comprising actuarial gains and losses and return on plan assets (excluding net interest) are recognized in the other comprehensive income for the period in which they occur and is not reclassified to profit or loss.

### (iii) Compensated absences

Provision for earned leave and medical leave is determined on an actuarial basis at the end of the year and is charged to the statement of profit and loss each year. Actuarial gains and losses are recognized in the statement of profit and loss for the period in which they occur.

### (iv) Share based payments

Equity settled share based payments to employees under DCM Shriram Employees Stock Purchase Scheme (ESPS) are measured at the Fair value (which equals to Market price less exercise price) of the equity instruments at grant date. Fair value determined at the grant date is expensed on a straight line basis over the vesting period.

## j) Foreign currency transactions

The functional currency of the Company is Indian rupee. Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

Monetary items (i.e. receivables, payable, loans etc) denominated in foreign currency are reported using the closing exchange rate on each reporting date.

The exchange difference arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/reported in previous financial statements are recognized as income/expense in the period in which they arise except for exchange difference on foreign currency borrowings relating to asset under construction for future use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

## k) Financial instruments

Initial Recognition:

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

Subsequent measurement:

### A. Non-derivative financial instruments

(i) Financial assets carried at amortised cost : A financial asset is subsequently measured at amortised cost if it is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

(ii) Financial assets carried at fair value through other comprehensive income (FVTOCI)

The Company has made an irrevocable election for its investments which are classified as equity instruments (Other than Investment in Subsidiaries and Joint Venture) to present the subsequent changes in fair value in other comprehensive income.

(iii) Investment in subsidiaries and Joint Venture: Investment in equity instruments of subsidiaries and joint venture is carried at cost less impairment, if any, in the separate financial statements.

(iv) Financial assets carried at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

(v) Financial liabilities: Financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

B. Derivative financial instruments: The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Company also holds swaps to mitigate interest rate risks. The counterparty for these contracts is generally a bank.

(i) Cash flow hedge: The effective portion of changes in the fair value of the hedging instruments is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Such amounts are reclassified in to the statement of profit or loss when the related hedge items affect profit or loss except in respect of inventories and property, plant and equipment where such changes are adjusted to their cost.

Any ineffective portion of changes in the fair value of the derivative or if the hedging instrument no longer meets the criteria for hedge accounting, is recognized immediately in the statement of profit and loss.

(ii) Fair Value Hedge: Changes in fair value of derivatives including forward exchange contracts that qualify as fair value hedge are recognized in profit or loss.

(iii) Financial instruments at fair value through profit or loss: This category has derivative financial instruments which are not designated as hedges.

Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial instruments at fair value through profit or loss

De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## i) Impairment

i) Financial assets

The Company recognizes loss allowances using the expected credit loss for the financial assets which are not measured at fair value through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit loss.

ii) Non-financial assets:

Tangible and intangible assets

Property, plant and equipment and intangible assets are

evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss. The Company review/assess at each reporting date if there is any indication that an asset may be impaired.

## m) Income taxes

The Income-tax liability is provided in accordance with the provisions of the Income-tax Act, 1961. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income tax and deferred tax are measured on the basis of the tax rates and tax laws enacted or substantively enacted at the end of the reporting period and are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

## n) Provisions

Provisions for claims including litigations are recognised when the Company has a present obligation as a result of past events, in the year when it is established by way of orders of court or government notifications etc. that it is probable that an outflow of resources will be required to settle the obligations and the amount can be reasonably estimated. The provision including any subsequent adjustments are accounted for in the same expenditure line item to which the claim pertains.

## 1.4 Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of asset and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other sources of estimation uncertainty, besides impact of COVID-19,

## Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

- i) Useful lives and residual value of property, plant and equipment, intangible assets and Investment Properties: Useful life and residual value are determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc and same is reviewed at each financial year end.
- ii) Leases: The Company determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives.  
The discount rate is generally based on the incremental borrowing rate. To determine the incremental borrowing rate, the Company uses recent third-party financing received by the Company, adjusted to lease term etc, specific to the lease being evaluated.
- iii) Impairment of investments: The Company reviews the carrying value of long term investments in equity/preference shares of subsidiaries, joint venture and other companies carried at cost/amortized cost at the end of each reporting

period. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- iv) Deferred tax assets: The Company reviews the carrying amount of deferred tax assets including Minimum alternate tax credit at the end of each reporting period and reduces 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.
- v) Revenue:
  - a) Provision of Sales Returns, Warranties and Discounts: Provision for Sales Returns, Warranties and Discounts are estimated based on past experience, market conditions and announced schemes.
  - b) Claims from 'Fertiliser Industry Coordination Committee' (FICC), Government of India: The Company takes revenue credits for urea subsidy claims, which are pending notification/ final acceptance by 'Fertiliser Industry Coordination Committee' (FICC), Government of India, in pursuance of the Retention Price Scheme administered for nitrogenous fertilisers, when as per judgment of the Company, there is reasonable certainty based on Policy and past experience that claims will be notified in due course (also refer note 29).
- vi) Provision for gratuity and compensated absences: The provision for gratuity and compensated absences are based on actuarial valuation using the projected unit credit method. The Company uses actuarial assumptions to determine the obligation for employee benefit at each reporting period. These assumptions include the discount rate, salary escalation and employee turnover rate.



# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

## 2.1 Property, plant and equipment

Rs. Crores

	Freehold Land	Buildings	Leasehold Improvements	Plant and Equipments	Furniture and Fixtures	Office Equipments	Right of use asset - Land	Right of use asset - Building	Vehicles	Total
<b>Gross Carrying amount</b>										
Balance as at April 1, 2019	49.15	342.77	8.02	2,434.40	8.93	17.79	15.05	117.55	63.30	3,056.96
Additions	1.03	80.62	-	772.68	3.50	6.73	-	29.92	16.51	910.99
Disposals	-	(1.63)	(0.02)	(28.24)	(0.21)	(0.50)	-	(1.46)	(8.45)	(40.51)
Transferred to asset held for sale	-	-	-	(11.13)	-	-	-	-	-	(11.13)
Balance as at March 31, 2020	50.18	421.76	8.00	3,167.71	12.22	24.02	15.05	146.01	71.36	3,916.31
Additions	3.08	29.24	-	99.19	1.36	3.90	-	2.91	2.68	142.36
Transferred from asset held for sale (refer footnote 6 below)	0.41	4.83	-	-	-	-	-	-	-	5.24
Transferred from Investment property (refer note 2.2)	1.20	5.34	-	-	-	-	-	-	-	6.54
Disposals	(0.10)	(0.07)	(0.97)	(13.43)	(1.15)	(1.98)	-	(53.78)	(6.11)	(77.59)
Balance as at March 31, 2021	54.77	461.10	7.03	3,253.47	12.43	25.94	15.05	95.14	67.93	3,992.86
<b>Accumulated Depreciation</b>										
Balance at April 1, 2019		38.78	3.90	280.26	4.96	10.25	-	-	30.54	368.69
Depreciation charge for the year		14.38	1.14	152.02	1.48	4.65	0.51	19.26	12.22	205.66
Disposals		(0.61)	(0.02)	(6.94)	(0.18)	(0.45)	-	(0.41)	(6.04)	(14.65)
Transferred to asset held for sale		-	-	(1.15)	-	-	-	-	-	(1.15)
Balance at March 31, 2020		52.55	5.02	424.19	6.26	14.45	0.51	18.85	36.72	558.55
Depreciation charge for the year		17.35	0.68	165.25	1.59	4.72	0.34	19.43	10.78	220.14
Disposals		(0.03)	(0.97)	(9.43)	(0.94)	(1.45)	-	(6.63)	(4.02)	(23.47)
Transferred from Investment property (refer note 2.2)		0.61	-	-	-	-	-	-	-	0.61
Balance at March 31, 2021		70.48	4.73	580.01	6.91	17.72	0.85	31.65	43.48	755.83
<b>Net carrying amount</b>										
As at March 31, 2021	54.77	390.62	2.30	2,673.46	5.52	8.22	14.20	63.49	24.45	3,237.03
As at March 31, 2020	50.18	369.21	2.98	2,743.52	5.96	9.57	14.54	127.16	34.64	3,357.76
<b>Capital work in progress (refer note 50)</b>										
As at March 31, 2021										103.40
As at March 31, 2020										51.51

### Footnotes:

1. Refer note 41 for information on property, plant and equipment pledged as security.
2. Refer note 23 for information on borrowing costs capitalised during the year.
3. Refer note 28 (ii) for information on contractual commitments for acquisition of property, plant and equipment.
4. Refer note 34(ii) for information on property, plant and equipment where the Company is a lessor under operating lease.
5. Freehold land includes Rs. 1.87 crores (March 31, 2020 - Rs 2.07 crores) pending registration in favour of the Company.
6. Pursuant to use for business operations during the year, these have been reclassified to Property, Plant and Equipment.

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

## 2.2 Investment property

	Rs. Crores		
	Freehold Land	Buildings	Total
<u>Gross Carrying amount</u>			
Balance as at April 1, 2019	1.41	5.57	6.98
Balance as at March 31, 2020	1.41	5.57	6.98
Transferred to Property, plant and equipment (refer note 2.1)	(1.20)	(5.34)	(6.54)
Balance as at March 31, 2021	0.21	0.23	0.44
<u>Accumulated Depreciation</u>			
Balance at April 1, 2019		0.43	0.43
Depreciation charge for the year		0.11	0.11
Balance at March 31, 2020		0.54	0.54
Depreciation charge for the year		0.10	0.10
Transferred to Property, plant and equipment (refer note 2.1)		(0.61)	(0.61)
Balance as at March 31, 2021		0.03	0.03
<u>Net carrying amount</u>			
As at March 31, 2021	0.21	0.20	0.41
As at March 31, 2020	1.41	5.03	6.44

Refer note 33 for other information relating to investment property

## 2.3 Intangible assets

	Rs. Crores		
	Technical Know how	Software	Total
<u>Gross carrying amount</u>			
Balance as at April 1, 2019	0.52	48.07	48.59
Additions	3.79	2.21	6.00
Balance as at March 31, 2020	4.31	50.28	54.59
Additions	-	4.73	4.73
Disposals	(0.38)	(0.35)	(0.73)
Balance as at March 31, 2021	3.93	54.66	58.59
<u>Accumulated amortization</u>			
Balance as at April 1, 2019	0.52	26.43	26.95
Amortization for the year	0.10	9.18	9.28
Balance as at March 31, 2020	0.62	35.61	36.23
Amortization for the year	0.36	9.26	9.62
Disposals	-	(0.34)	(0.34)
Balance as at March 31, 2021	0.98	44.53	45.51
<u>Net carrying amount</u>			
As at March 31, 2021	2.95	10.13	13.08
As at March 31, 2020	3.69	14.67	18.36
<u>Intangible assets under development</u>			
As at March 31, 2021			5.77
As at March 31, 2020			8.06

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

	As at March 31, 2021 Rs. Crores		As at March 31, 2020 Rs. Crores	
<b>3 NON-CURRENT FINANCIAL ASSETS</b>				
3.1 Non-current investments				
(i) Investment in Equity Instruments				
- Subsidiaries (at cost)				
Unquoted				
11,74,551 (March 31, 2020: 11,74,551)				
Equity shares of US\$ 1 each fully paid-up of Bioseeds Limited	14.41		14.41	
Less: Provision for impairment in value of investment	(14.41)	-	(14.41)	-
10,00,000 (March 31, 2020: 10,00,000)				
Equity shares of Rs 10 each fully paid up of Hariyali Rural Ventures Limited		1.00		1.00
50,000 (March 31, 2020: 50,000)				
Equity shares of Rs 10 each fully paid up of Fenesta India Limited		0.05		0.05
40,50,000 (March 31, 2020: 40,50,000)				
Equity shares of Rs 10 each, fully paid up of Shriram Bioseed Ventures Limited	20.05		20.05	
Less: Provision for impairment in value of investment	(20.05)	-	(20.05)	-
94,475 (March 31, 2020: 94,475) Class A				
Equity shares of USD 1 each, fully paid up of Bioseed Holding PTE Limited	0.60		0.60	
Less: Provision for impairment in value of investment	(0.60)	-	(0.60)	-
116,00,000 (March 31, 2020: 116,00,000) Class B				
Equity shares of USD 1 each, fully paid up of Bioseed Holding PTE Limited	76.03		76.03	
Less: Provision for impairment in value of investment	(34.84)	41.19	(34.84)	41.19
138,42,105 (March 31, 2020 - 138,42,105) Class B		18.80		18.80
Equity shares of USD 0.19 each, fully paid up of Bioseed Holding PTE Limited				
60,01,208 (March 31, 2020: 60,01,208)				
Equity shares of Rs 10 each, fully paid-up of DCM Shriram Credit and Investments Limited		0.22		0.22
83,51,207 (March 31, 2020: 83,51,207)				
Equity shares of Rs 10 each, fully paid-up of DCM Shriram Aqua Foods Limited		4.22		4.22
50,000 (March 31, 2020: 50,000)				
Equity shares of Rs 10 each, fully paid up of Shridhar Shriram Foundation		0.05		0.05
1,00,014 (March 31, 2020: 1,00,014)				
Equity shares of Rs 10 each, fully paid up of Bioseed India Limited	0.10		0.10	
Less: Provision for impairment in value of investment	(0.05)	0.05	(0.05)	0.05
17,50,280 (March 31, 2020: 17,50,280)				
Equity shares of Rs 10 each, fully paid up of Shri Ganpati Fertilizers Limited # (Re. 1)	#		#	
Less: Sold during the year (refer note 54)	#	-	-	#
		65.58		65.58
- Joint Venture (at cost)				
Unquoted				
17,32,500 (March 31, 2020: 17,32,500)				
Equity shares of Rs 10 each, fully paid up of Shriram Axiall Private Limited		3.42		3.42

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

	As at March 31, 2021 Rs. Crores	As at March 31, 2020 Rs. Crores
- Others		
Unquoted (at fair value through other comprehensive income)		
18,61,134 (March 31, 2020: 18,61,134)		
Equity shares of Rs 10 each, fully paid up of Narmada Clean Tech	1.85	1.85
<b>(ii) Investment in Preference Shares - unquoted</b>		
- Subsidiary (at amortized cost)		
10,00,000 (March 31, 2020: 10,00,000)	0.88	0.88
0.01% redeemable cumulative preference shares of Rs 10 each, Rs 10 paid up of DCM Shriram Infrastructure Limited		
- Subsidiary (at cost)		
30,00,000 (March 31, 2020: 30,00,000)	3.00	3.00
0.01% compulsorily convertible preference shares of Rs 10 each of DCM Shriram Credit and Investments Limited		
<b>(iii) Investment in Government securities</b>		
Unquoted (at amortized cost)		
National savings certificates	0.06	0.06
<b>(iv) Equity component of loan to subsidiary at concessional rate (at cost)</b>		
- DCM Shriram Infrastructure Limited	11.45	11.45
Less: Provision for impairment in value of investment	(11.45)	(11.45)
<b>Total</b>	<b>74.79</b>	<b>74.79</b>
Aggregate book value:		
- Unquoted	156.19	156.19
Aggregate provision for impairment of investments	81.40	81.40
Summary:		
- Investments carried at cost	72.00	72.00
- Investments carried at amortized cost	0.94	0.94
- Investments at fair value through other comprehensive income	1.85	1.85
<b>NON-CURRENT FINANCIAL ASSETS</b>		
<b>3.2 Loans</b>		
(unsecured considered good, unless otherwise stated)		
Loan to subsidiaries [refer note 31(b)]		
Considered good	122.12	115.79
Considered credit impaired	26.27	26.27
	148.39	142.06
Less: Provision for credit impaired loan	26.27	26.27
	122.12	115.79
Loan to employees		
Considered good	7.63	8.22
Considered credit impaired	0.74	1.65
	8.37	9.87
Less: Provision for credit impaired loan	0.74	1.65
	7.63	8.22
	129.75	124.01

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

	As at March 31, 2021 Rs. Crores	As at March 31, 2020 Rs. Crores
3.3 Other financial assets		
Interest accrued on loans, investments, deposits etc.	0.53	0.84
Fixed deposits with banks (earmarked)	9.21	9.21
Security deposits <sup>(i)</sup>	29.30	32.10
	<u>39.04</u>	<u>42.15</u>
(i) includes given to related parties [refer note 31(b)]		
4 Deferred tax assets / (liabilities) (Net)		
[refer note 42(d)]		
Deferred tax assets:		
Minimum alternate tax (MAT) credit entitlement	393.72	398.97
Provision for gratuity and compensated absences	96.34	95.06
Provision for doubtful debts and advances	45.78	33.22
Others	19.02	35.16
	<u>554.86</u>	<u>562.41</u>
Deferred tax liabilities:		
Depreciation	551.54	502.28
	<u>551.54</u>	<u>502.28</u>
Deferred tax assets (Net)	3.32	60.13
5 Other non-current assets		
Capital advances	68.26	17.78
Prepaid expenses	0.80	1.22
Others (includes amount deposited with Government authorities)	3.78	7.79
	<u>72.84</u>	<u>26.79</u>
<b>CURRENT ASSETS</b>		
6 Inventories <sup>(i)</sup>		
Raw materials (includes goods in transit Rs. 9.83 crores; March 31, 2020 - Rs. 1.50 crores)	242.75	193.11
Work-in-progress	157.29	52.45
Finished goods (includes goods in transit Rs. 4.28 crores; March 31, 2020 - Rs. Nil)	1,100.09	1,587.25
Stock-in-trade (includes goods in transit Rs. 1.78 crores; March 31, 2020 - Rs. Nil)	85.62	94.09
Stores and spares	176.12	216.78
	<u>1,761.87</u>	<u>2,143.68</u>
(i) refer note 41		
7 Financial assets		
7.1 Trade receivables <sup>(i)</sup>		
Secured - considered good	2.05	2.41
Unsecured - considered good	448.93	1,067.06
Unsecured - considered credit impaired	65.61	60.55
	<u>516.59</u>	<u>1,130.02</u>
Less: Provision for credit impaired receivables	65.61	60.55
	<u>450.98</u>	<u>1,069.47</u>
(i) includes dues from related parties [refer note 31(b)]		
7.2 Cash and cash equivalents <sup>(i)</sup>		
Balances with banks on		
- current accounts	32.31	103.81
- deposit accounts (less than 3 months maturity)	50.00	361.00
Cash on hand	0.43	0.53
Liquid investments - mutual funds	757.74	58.93
	<u>840.48</u>	<u>524.27</u>
(i) comprises cash at bank and at hand, short term deposits and liquid mutual funds that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value		

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

	As at March 31, 2021 Rs. Crores	As at March 31, 2020 Rs. Crores
7.3 Bank balances other than cash and cash equivalents		
Balances with banks on		
- current accounts (earmarked) <sup>(i)</sup>	8.47	8.57
- deposit accounts (earmarked) <sup>(i)</sup>	9.05	8.61
- deposit accounts (more than 3 months but less than 12 months)	446.08	-
	<u>463.60</u>	<u>17.18</u>
(i) earmarked for unpaid dividend, margin money and deposit with banks for specific purpose		
7.4 Loans		
(Unsecured Considered good unless otherwise stated)		
Loan to employees	4.40	2.31
Loan to subsidiaries [refer note 31(b)]		
Considered good	18.96	29.76
Considered credit impaired	-	7.01
	<u>18.96</u>	<u>36.77</u>
Less: Provision for credit impaired loan	-	7.01
	<u>18.96</u>	<u>29.76</u>
	<u>23.36</u>	<u>32.07</u>
7.5 Other financial assets		
Interest accrued on loans, investment, deposits etc <sup>(i)</sup>		
Considered good	13.70	1.94
Considered doubtful	15.47	15.47
	<u>29.17</u>	<u>17.41</u>
Less: Provision for doubtful interest	15.47	15.47
	<u>13.70</u>	<u>1.94</u>
Other debts (includes claims from government authorities)		
Considered good	213.01	200.73
Considered doubtful	27.10	1.05
	<u>240.11</u>	<u>201.78</u>
Less: Provision for doubtful debts	27.10	1.05
	<u>213.01</u>	<u>200.73</u>
Security deposits <sup>(i)</sup>		
Considered good	4.77	5.17
Considered doubtful	1.85	-
	<u>6.62</u>	<u>5.17</u>
Less: Provision for doubtful deposits	1.85	-
	<u>4.77</u>	<u>5.17</u>
Derivatives designated as hedges:		
- Foreign exchange forward contracts	-	16.17
- Others (Foreign currency options)	5.66	9.92
	<u>237.14</u>	<u>233.93</u>
(i) includes from related parties [refer note 31(b)]		

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

	As at March 31, 2021 Rs. Crores	As at March 31, 2020 Rs. Crores
<b>8 Current tax assets</b>		
Advance tax	825.09	669.37
Less: Provision for current tax	(784.08)	(629.35)
	<u>41.01</u>	<u>40.02</u>
<b>9 Other current assets</b>		
(Unsecured Considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	109.03	150.98
Considered doubtful	14.10	11.03
	<u>123.13</u>	<u>162.01</u>
Less: Provision for doubtful advances	14.10	11.03
	<u>109.03</u>	<u>150.98</u>
Advance to subsidiaries [refer note 31(b) & 54]		
Considered good	-	13.17
Considered doubtful	-	23.97
	<u>-</u>	<u>37.14</u>
Less: Provision for doubtful advances	-	23.97
	<u>-</u>	<u>13.17</u>
Prepaid expenses	13.41	15.49
Balances with customs, excise etc	17.81	23.05
Unbilled revenue	50.56	20.96
Others	10.40	4.75
	<u>201.21</u>	<u>228.40</u>
<b>10 Assets classified as held for sale</b>		
Land and buildings	58.00	72.47
Plant and machinery	11.39	11.28
	<u>69.39</u>	<u>83.75</u>

Refer note 47 for other information relating to assets classified as held for sale.

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

	As at March 31, 2021 Rs. Crores	As at March 31, 2020 Rs. Crores
<b>11 Equity share capital</b>		
Authorised		
29,49,50,000 (March 31, 2020 - 29,49,50,000) equity shares of Rs.2 each with voting rights	58.99	58.99
65,01,000 (March 31, 2020 - 65,01,000) Cumulative redeemable preference shares of Rs. 100 each	<u>65.01</u> 124.00	<u>65.01</u> 124.00
Issued		
15,98,42,296 (March 31, 2020 - 15,98,42,296) Equity shares of Rs 2 each with voting rights	31.97	31.97
Subscribed and fully paid up		
15,59,42,296 (March 31, 2020 - 15,59,42,296) Equity shares of Rs. 2 each with voting rights, fully paid - up	31.19	31.19
Forfeited shares - Amount originally paid up	<u>0.16</u> 31.35	<u>0.16</u> 31.35

Notes:

(i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period:

Subscribed and fully paid up Equity Shares:	No. of shares	Value (Rs. Crores)
As at April 1, 2019	15,59,42,296	31.19
As at March 31, 2020	15,59,42,296	31.19
As at March 31, 2021	15,59,42,296	31.19

Buy-back of shares

- The Company bought back and extinguished 64,73,841 equity shares of Rs 2 each during financial year 2018-19

(ii) Rights, preferences and restrictions on equity shares:

Voting rights and dividend shall be in the proportion to the capital paid upon equity shares. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to the capital paid upon equity share after distribution of all preferential amount.

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	%	No. of shares	%
<b>(iii) Shares held by the holding company:</b>				
Sumant Investments Private Limited	9,82,82,744	63.03%	9,82,82,284	63.02%
<b>(iv) The shareholders holding more than 5% equity shares are as under:</b>				
Sumant Investments Private Limited	9,82,82,744	63.03%	9,82,82,284	63.02%
Life Insurance Corporation of India	1,05,14,136	6.74%	1,05,14,136	6.74%

## 12 Other equity<sup>1</sup>

12.1 General reserve	616.03	614.29
12.2 Surplus in statement of profit and loss	4,039.66	3,458.16
12.3 Capital redemption reserve	10.40	10.40
12.4 Storage fund for molasses account	1.96	1.40
12.5 Share held by trust under Employees Stock Purchase Scheme (ESPS) <sup>2</sup>	(5.90)	(7.23)
12.6 Other comprehensive income		
- Cash flow hedging reserve (refer note 45.4)	<u>(0.68)</u>	<u>(3.03)</u>
	<u>4,661.47</u>	<u>4,073.99</u>

1. Created under relevant Act/statutes. For movement during the year, refer 'Statement of changes in equity'.

2. Share held by trust under ESPS represents cost of 12,77,924 (March 31, 2020 - 15,65,424) equity shares purchased and held by the Employee Benefit trust under ESPS scheme.



# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

	As at March 31, 2021 Rs. Crores	As at March 31, 2020 Rs. Crores
<b>NON-CURRENT LIABILITIES</b>		
<b>13 Financial liabilities</b>		
13.1 Long term borrowings (at amortized cost)		
Secured (refer note 41B)		
Debentures	197.55	-
Term loans		
From banks	545.81	629.98
From others	257.17	316.48
	<u>1,000.53</u>	<u>946.46</u>
Unsecured		
Deposits		
Fixed	11.64	28.20
	<u>11.64</u>	<u>28.20</u>
	<u>1,012.17</u>	<u>974.66</u>
13.2 Other financial liabilities		
Interest accrued but not due on loans and deposits	0.28	0.26
Lease liability (refer note 34)	50.60	96.77
	<u>50.88</u>	<u>97.03</u>
<b>14 Long term provisions</b>		
Provision for employee benefits		
Gratuity (refer note 32)	126.92	131.18
Compensated absences	92.76	90.31
Other benefits	11.48	7.38
Provision for contingencies (refer note 37)	12.09	12.09
	<u>243.25</u>	<u>240.96</u>
<b>15 Other non-current liabilities</b>		
Security deposits	0.01	0.64
Others	10.12	17.30
	<u>10.13</u>	<u>17.94</u>
<b>CURRENT LIABILITIES</b>		
<b>16 Financial liabilities</b>		
16.1 Short-term borrowings - at amortized cost		
Secured (refer note 41 B)		
Loans repayable on demand from banks	0.72	1.00
Other loans from banks	199.50	763.37
	<u>200.22</u>	<u>764.37</u>
Unsecured		
Loans repayable on demand - other than banks <sup>(i)</sup>	50.00	250.00
Other loans from banks	25.00	54.00
Loan from subsidiary company	1.45	1.45
	<u>76.45</u>	<u>305.45</u>
	<u>276.67</u>	<u>1,069.82</u>
(i) represents commercial papers		

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

	As at March 31, 2021 Rs. Crores	As at March 31, 2020 Rs. Crores
<b>16.2 Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 48)	26.44	13.14
Total outstanding dues of creditors other than micro enterprises and small enterprises	642.04	897.08
	<u>668.48</u>	<u>910.22</u>
<b>16.3 Other financial liabilities</b>		
Current maturities of long-term debt (Secured) [refer note 41B]		
From banks	84.58	58.32
From others	54.58	38.99
Current maturities of long-term debt (Unsecured)		
From others	24.65	6.54
Interest accrued but not due on borrowings	5.99	18.19
Unpaid dividends	8.54	8.38
Unpaid matured deposits and interest accrued thereon	0.03	0.04
Employee dues payable <sup>(i)</sup>	40.76	32.84
Security deposits	41.89	42.50
Others liabilities (includes capital creditors Rs 27.86 crores; March 31, 2020 - Rs 35.37 crores)	56.97	63.45
Derivatives designated as hedge		
- Foreign exchange forward contracts	1.85	-
- Interest rate swaps	1.32	5.16
Lease liability (refer note 34)	16.52	30.40
	<u>337.68</u>	<u>304.81</u>
(i) includes due to related parties [Refer note 31(b)]		
<b>17 Short term provisions</b>		
Provision for employee benefits		
Gratuity	28.51	24.51
Compensated absences	28.62	26.03
Other benefits	1.35	0.69
	<u>58.48</u>	<u>51.23</u>
<b>18 Other current liabilities</b>		
Statutory levies	164.56	146.85
Advance received from customers	230.57	205.99
Other current liabilities	3.73	3.75
	<u>398.86</u>	<u>356.59</u>

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

	Year ended March 31, 2021 Rs. Crores	Year ended March 31, 2020 Rs. Crores
<b>19 Revenue from operations</b>		
Revenue from sale of products		
Gross revenue <sup>(i)</sup>	8,463.04	7,868.05
Less: Discounts	283.67	271.77
	<u>8,179.37</u>	<u>7,596.28</u>
Other operating revenue		
Rent	0.31	0.32
Liabilities/provisions no longer required written back (refer note 29)	5.07	44.79
Miscellaneous income (includes scrap sales)	27.24	30.57
	<u>32.62</u>	<u>75.68</u>
Revenue from Operations	<u>8,211.99</u>	<u>7,671.96</u>
 (i) Notes:		
- Includes Rs 174.19 crores against advance received from customers balance as at April 1, 2020 (2019-20 - Rs 167.31 crores)		
- Includes Rs 19.82 crores on account of differential urea subsidy claims notified for earlier periods by 'Fertiliser Industry Coordination Committee (FICC), Government of India, in pursuance of the Retention Price Scheme administered for nitrogenous fertilisers (2019-20 - Rs Nil)		
- The Company does not have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. Accordingly, the Company has not adjusted transaction prices for the time value of money.		
 <b>20 Other income</b>		
Interest income	30.10	15.19
Rent [refer note 34(ii)]	1.56	5.64
Miscellaneous income (refer note 49)	39.84	68.19
Other gains/(losses):		
- net gain/(loss) on financial assets mandatorily measured at fair value through profit or loss	8.13	(2.06)
- net gain on sale of liquid investments	6.56	31.27
- net gain/(loss) on sale of property, plant and equipment (including assets held for sale)	3.48	(17.22)
	<u>89.67</u>	<u>101.01</u>
 <b>21 Change in inventories of finished goods, stock-in-trade and work-in-progress (refer note 6)</b>		
Closing stock	1,343.00	1,733.79
Add: Provision for sales return	9.17	4.30
Adjusted closing stock	<u>1,352.17</u>	<u>1,738.09</u>
Opening stock	1,738.09	1,522.95
Decrease/(increase) in inventories	<u>385.92</u>	<u>(215.14)</u>
 <b>22 Employee benefits expense</b>		
Salaries, wages, bonus, gratuity, commission, etc. <sup>(i)</sup>	641.89	626.08
Expense on Employee stock purchase scheme <sup>(ii)</sup>	3.07	2.44
Contribution to provident and other funds <sup>(i)</sup>	40.94	38.34
Staff welfare expenses	30.08	32.67
	<u>715.98</u>	<u>699.53</u>

(i) refer note 32

(ii) refer note 40

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

	Note	Year ended March 31, 2021 Rs. Crores	Year ended March 31, 2020 Rs. Crores
<b>23 Finance costs</b>			
Interest expense on financial liabilities measured at amortized cost <sup>1</sup>		100.58	162.55
Other borrowing costs		4.22	3.49
Net loss on foreign currency transactions and translation		19.59	15.36
		<u>124.39</u>	<u>181.40</u>
Less: Amount included in the cost of qualifying assets <sup>2</sup>		<u>2.60</u>	<u>21.46</u>
		<u>121.79</u>	<u>159.94</u>
1. includes interest expense on loan from wholly owned subsidiary Rs 0.14 crores (2019-20: Rs. 0.14 crores)			
2. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization is 5.86% p.a. (2019-20: 7.10% p.a.)			
<b>24 Depreciation and amortization expense</b>			
Depreciation of property, plant and equipment	2.1	200.37	185.89
Depreciation of Right of use assets (refer note 34)	2.1	19.77	19.77
Depreciation of investment property	2.2	0.10	0.11
Amortization of intangible assets	2.3	9.62	9.28
		<u>229.86</u>	<u>215.05</u>
<b>25 Other expenses</b>			
Consumption of stores and spare parts		271.15	267.13
Power, fuel etc. <sup>1</sup>		900.37	1,054.60
Rent (refer note 34)		15.40	16.45
Repairs			
Buildings		19.23	22.09
Plant and machinery		65.84	71.08
Donation <sup>2</sup>		1.65	10.88
Insurance		21.84	14.29
Rates and taxes		3.22	2.50
Auditors' remuneration			
Audit fee		1.20	1.20
Tax audit		0.20	0.21
Limited reviews		0.58	0.58
Other certification services		0.50	0.50
Out-of-pocket expenses		0.08	0.13
Directors' fees		0.71	0.62
Bad debts and advances written off	32.36		0.01
Less: adjusted against provision for doubtful debts and advances	(30.99)	1.37	(0.01)
Provision for credit impaired receivables		5.20	14.96
Provision for credit impaired loans and advances, other debts and deposits <sup>3</sup>		32.63	22.02
Freight and transport		254.76	193.15
Commission to selling agents		22.42	7.83
Brokerage, discounts (other than trade discounts), etc.		0.04	0.01
Selling expenses		85.54	83.77
Exchange fluctuation costs		1.54	(0.14)
Royalty		-	2.55
Loss/(gain) on valuation of assets held for sale		(5.05)	5.60
Corporate Social Responsibility <sup>4</sup>		20.11	18.44
Miscellaneous expenses		140.14	161.81
		<u>1,860.67</u>	<u>1,972.26</u>
Less:- Cost of own manufactured goods capitalised/consumed		<u>(1.63)</u>	<u>(5.86)</u>
		<u>1,859.04</u>	<u>1,966.40</u>

1 includes reversal of coal provision created in earlier years amounting to Rs 22.25 crores (previous year: Rs 23.19 crores (net) with respect to renewable energy purchase obligation at one of its units pursuant to resolution of legal cases in the matter)

2 refer note 38

3 includes Rs. Nil (2019-20: Rs 18.17 crores) in respect of a subsidiary company

4 refer note 38.1

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

	Year ended March 31, 2021 Rs. Crores		Year ended March 31, 2020 Rs. Crores	
<b>26 Tax expense (refer note 42)</b>				
Current tax	173.06		159.22	
Less:- MAT credit entitlement *	-	173.06	(43.01)	116.21
Deferred Tax		38.59		72.25
Tax adjustments related to earlier years *				
- Current tax	(7.65)		(11.32)	-
- Deferred tax	9.29	1.64	2.49	(8.83)
		213.29		179.63

\* refer note 42 (d)

## 27 Earnings per share

Profits after tax and exceptional item (Rs. Crores)	662.48	743.67
Weighted average number of equity shares (Nos.)	15,59,42,296	15,59,42,296
Basic and Diluted earnings per share (face value Rs 2 per share)		
- Before exceptional item	42.48	47.69
- After exceptional item	42.48	47.69

Rs. Crores

	As at March 31, 2021 Rs. Crores	As at March 31, 2020 Rs. Crores
<b>28.</b> (i) Contingent liabilities not provided for:		
(a) Claims (excluding claims by employees where amount not ascertainable) not acknowledged as debts:		
- Additional premium on land	8.11	8.11
- Interest on cane purchases	64.10	49.90
- Others	5.63	5.63
Total	77.75	63.64

(b) The Company will continue to assess the impact of further developments relating to retrospective application of Supreme Court judgement dated February 28, 2019 clarifying the definition of 'basic wages' under Employees' Provident Fund and Miscellaneous Provisions Act 1952 and deal with it appropriately accordingly.

(ii) Capital commitments (net of advances) 265.48 242.01

29. In accordance with its accounting policy and past practice, the Company accrues revenue credits for urea subsidy claims pending notification/ final acceptance by 'Fertiliser Industry Coordination Committee' (FICC), Government of India, in pursuance of the Pricing Scheme administered for nitrogenous fertilisers. The total amount receivable on account of such claims as on March 31, 2021 is Rs 8.15 crores (Rs 126.11 crores on March 31, 2020). This includes Rs Nil (2019-20 - Rs 37.95 crores) being reversal of the provision for doubtful claims consequent to removal of ambiguities in the Modified NPS III by the Government of India during the previous year.

Necessary adjustments to revenue credits so accrued will be made on issuance of notification by FICC, Government of India.

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

## 30 Segment reporting

### A. Operating segments and principal activities:

Based on the guiding principles given in Ind AS- 108 'Operating segments', the Company's operating segments, based on products include: Fertilisers (manufacturing of urea), Chloro-Vinyl (manufacturing of poly-vinyl chloride, carbide and chlor alkali products), Shriram Farm solutions (trading of super phosphate, other fertilisers, seeds and pesticides), Sugar (manufacturing of sugar, ethanol and co-generation of Power), Bioseed (production of hybrid seeds), Others (UPVC window systems, Cement, Rural retail and plaster of paris). Sale of power from the co-generation facilities set up for the operating segments is included in their respective results.

### B. Geographical segments:

Since the Company's activities/ operations are primarily within the country and considering the nature of products/ services it deals in, the risks and returns are same and as such there is only one geographical segment.

### C. Segment accounting policies:

In addition to the significant accounting policies applicable to the operating segments as set out in note 1.3, the accounting policies in relation to segment accounting are as under:

#### (i) Segment revenue and expenses:

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

#### ii) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables (net of allowances and provision), inventories and property, plant and equipments, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of trade payables. Segment assets and liabilities do not include deferred income taxes. While most of the assets/ liabilities can be directly attributed to individual segment, the carrying amount of certain assets/ liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

#### iii) Inter segment sales:

Inter segment sales between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

### D. Revenue from major products:

Revenue from major products is given in note 56

### E. Geographical information:

(i) Revenue from external customers: The Company's revenue from external customers by location of operation are as under:

Particulars	Rs. Crores	
	This year	Previous year
- Within India	8,033.19	7,489.23
- Outside India	146.18	107.05
Total	8,179.37	7,596.28

(ii) Non-current assets other than financial instruments: There are no such assets which are located outside India.

### F. Information about major customer

There is no single customer who contributed 10% or more of the Company's revenue during the year ended March 31, 2021 and March 31, 2020

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

## G. Information about business segments

Rs. Crores

PARTICULARS	Chloro-Vinyl		Sugar		Shriram Farm Solutions		Bioseed		Fertiliser		Others		Elimination		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
<b>1. REVENUE</b>																
External sales (Gross)	1,971.95	2,233.27	3,377.70	2,508.35	856.85	747.86	340.35	307.70	897.43	975.70	735.09	823.40			8,179.37	7,596.28
Other Operating Income	11.03	13.07	6.83	13.20	1.17	0.64	5.94	2.52	3.25	40.91	4.40	5.34			32.62	75.68
Inter segment sales	32.26	31.87	-	-	-	-	22.69	24.77	-	-	0.93	2.32	55.88	58.96		
<b>Total revenue</b>	<b>2,015.24</b>	<b>2,278.21</b>	<b>3,384.53</b>	<b>2,521.55</b>	<b>858.02</b>	<b>748.50</b>	<b>368.98</b>	<b>334.99</b>	<b>900.68</b>	<b>1,016.61</b>	<b>740.42</b>	<b>831.06</b>	<b>55.88</b>	<b>58.96</b>	<b>8,211.99</b>	<b>7,671.96</b>
<b>2. RESULTS</b>																
Segment results	518.42	651.95	428.93	390.70	109.91	64.85	(7.36)	21.02	59.08	79.67	40.10	56.58			1,149.08	1,264.77
Unallocated expenses (net of income)															151.52	181.53
<b>Operating profit</b>	<b>518.42</b>	<b>651.95</b>	<b>428.93</b>	<b>390.70</b>	<b>109.91</b>	<b>64.85</b>	<b>(7.36)</b>	<b>21.02</b>	<b>59.08</b>	<b>79.67</b>	<b>40.10</b>	<b>56.58</b>			<b>997.56</b>	<b>1,083.24</b>
Finance costs															121.79	159.94
<b>Profit before tax</b>															<b>875.77</b>	<b>923.30</b>
Provision for taxation																
- Current and deferred tax															211.65	188.46
- Tax adjustments related to earlier years															1.64	(8.83)
<b>Net profit</b>															<b>662.48</b>	<b>743.67</b>
<b>3. OTHER INFORMATION</b>																
<b>A. ASSETS</b>																
Segment assets	1,814.78	1,862.69	3,087.54	3,393.50	125.05	208.08	411.32	430.08	345.67	903.68	297.81	290.40			6,082.17	7,088.43
Unallocated assets															1,686.30	1,054.34
<b>Total assets</b>	<b>1,814.78</b>	<b>1,862.69</b>	<b>3,087.54</b>	<b>3,393.50</b>	<b>125.05</b>	<b>208.08</b>	<b>411.32</b>	<b>430.08</b>	<b>345.67</b>	<b>903.68</b>	<b>297.81</b>	<b>290.40</b>			<b>7,768.47</b>	<b>8,142.77</b>
<b>B. EQUITY AND LIABILITIES</b>																
Equity (Share Capital & Other Equity)															4,692.82	4,105.34
Segment liabilities	322.46	370.10	466.49	688.92	126.45	87.65	113.89	131.59	116.22	135.48	305.10	247.16			1,450.61	1,660.90
Secured and unsecured loans															1,452.67	2,148.35
Unallocated liabilities															172.37	228.18
<b>Total liabilities</b>	<b>322.46</b>	<b>370.10</b>	<b>466.49</b>	<b>688.92</b>	<b>126.45</b>	<b>87.65</b>	<b>113.89</b>	<b>131.59</b>	<b>116.22</b>	<b>135.48</b>	<b>305.10</b>	<b>247.16</b>			<b>7,768.47</b>	<b>8,142.77</b>
<b>C. OTHERS</b>																
Capital expenditure	114.58	280.92	55.50	287.21	0.61	1.75	3.23	8.13	7.15	13.91	8.54	32.59			189.61	624.51
Unallocated capital expenditure															4.16	11.24
Depreciation and amortisation expense	94.95	92.83	74.23	63.74	0.66	0.66	3.48	3.21	11.48	11.85	17.31	16.15			202.11	188.44
Unallocated depreciation and amortisation expense															27.75	26.61
Non cash expenses other than depreciation	(0.94)	-	27.10	-	1.87	16.81	7.29	6.55	-	-	(2.93)	5.21			32.39	28.57
Unallocated non cash expenses other than depreciation	-	-	-	-	-	-	-	-	-	-	-	-			1.76	14.27

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

## 31 Related party disclosures

Name of related party and nature of related party relationship

1. Holding company: Sumant Investments Private Limited

2. Subsidiaries:

- (i) DCM Shriram Credit and Investments Limited, Bioseed India Limited, DCM Shriram Infrastructure Limited, DCM Shriram Aqua Foods Limited, Hariyali Rural Ventures Limited, Fenesta India Limited, Shri Ganpati Fertilizers Limited<sup>1</sup>, Shriram Bioseed Ventures Limited, Bioseeds Limited, Shriram Bioseed (Thailand) Ltd., Bioseed Research Philippines Inc., Bioseeds Holdings PTE. Ltd., Bioseed Vietnam Limited<sup>2</sup>, PT Shriram Seed Indonesia<sup>3</sup>, PT Shriram Genetics Indonesia<sup>3</sup>, Bioseed Research USA Inc., DCM Shriram Foundation, Shridhar Shriram Foundation.

1 sold w.e.f. May 19, 2020

2 sold w.e.f. July 31, 2020

3 sold w.e.f. February 27, 2020

- (ii) Subsidiaries incorporated under section 8 of Companies Act 2013:

DCM Shriram Foundation, Shridhar Shriram Foundation

3. Joint venture: Shriram Axiall Private Limited

4. Key Managerial Persons, their relatives and HUFs:

- (i) Executive Directors, their relatives and HUFs (with whom transactions are there):

Mr. Ajay S. Shriram, Mr. Vikram S. Shriram, Mr. Ajit S. Shriram, Mr. K.K. Kaul, Mr. K.K. Sharma, Mr. Aditya A. Shriram (relative of Mr. Ajay S. Shriram), Mr. Anand A. Shriram (relative of Mr. Ajay S. Shriram), Mr. Pranav V. Shriram (relative of Mr. Vikram S. Shriram), Mr. Varun A. Shriram (relative of Mr. Ajit S. Shriram)<sup>1</sup>, Mrs. Anuradha Bishnoi (relative of Mr. Ajay S. Shriram), Mrs. Geeta Kaul (relative of Mr. K.K. Kaul), M/s. Ajay S. Shriram (HUF), M/s. Vikram S. Shriram (HUF), M/s. Ajit S. Shriram (HUF).

1 w.e.f. May 1, 2019

- (ii) Independent Directors and their relatives (with whom transactions are there):

Mr. Pradeep Dinodia, Mr. Vimal Bhandari, Mr. Sunil Kant Munjal, Mrs. Ramni Nirula, Mr. Vikramjit Sen, Mr. Pravesh Sharma, Mr. Sharad Shrivastva<sup>1</sup> (Nominee of LIC), Ms. Sarita Garg<sup>2</sup> (Nominee of LIC)

1 upto August 7, 2020

2 w.e.f. October 20, 2020

5. Trust : Sir Shriram Foundation, DCM Shriram Employees' Provident Fund Trust, DCM Shriram Officers' Superannuation Fund Trust

(a) Transactions with related parties:

Rs. Crores

S. No.	Nature of transaction	This year					Total	Previous year					Total
		Holding Company	Subsidiaries	Joint Venture	KMPs/Relatives	Trust		Holding Company	Subsidiaries	Joint Venture	KMPs/Relatives	Trust	
1	Sale of products		14.89	45.39	0.31		60.59		21.46	45.27			66.73
2	Common services expenses recovered		0.04	0.96			1.00			0.96			0.96
3	Supply of water, power and steam			0.12			0.12			0.14			0.14
4	Purchases of finished goods		0.31	0.17			0.48		16.21	0.13			16.34
5	Rent paid (includes goods and services tax)		0.11		4.82		4.93		0.11		4.92		5.03
6	Remuneration (including commission) <sup>0</sup>				34.10		34.10				32.20		32.20
7	Sitting fees and commission				3.32		3.32				2.87		2.87
8	Security deposits given		0.16				0.16						-
9	Security deposits received back						-		3.64				3.64
10	Loans and advances given (net)		0.58				0.58		29.65				29.65
11	Loans and advances received back (net)		4.36				4.36		0.23				0.23
12	Interest income		2.12				2.12		1.27				1.27
13	Interest expenses		0.14				0.14		0.14				0.14
14	Dividend paid	50.00			2.12		52.12	96.32			4.37		100.69
15	Contribution to Provident fund trust					30.20	30.20					29.37	29.37
16	Contribution to Superannuation fund trust					8.25	8.25					8.97	8.97
17	Contribution for CSR activities		1.10				1.10		6.57				6.57
18	Guarantee given by subsidiary company in respect of loan taken by the Company		200.00				200.00						-
19	Expense recognised in respect of provision for doubtful loan/advances and interest accrued (refer note 45.1)						-		18.17				18.17



## Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

- (b) Balance outstanding as at the year end (gross)  
(unsecured unless otherwise stated)

Rs. Crores

S. No.	Nature of outstanding	This year					Total	Previous year					Total
		Holding Company	Subsidiaries	Joint Venture	KMP's/ Relatives	Trust		Holding Company	Subsidiaries	Joint Venture	KMP's/ Relatives	Trust	
1	Security deposits receivable		3.26		8.40		11.66		3.10		8.40		11.50
2	Loans and advances receivable		167.22				167.22		215.82				215.82
3	Loan payable		1.45				1.45		1.45				1.45
4	Interest receivable		15.43				15.43		14.59				14.59
5	Trade receivable		1.03	10.89			11.92		10.12	4.27			14.39
6	Interest payable		0.43				0.43		0.40				0.40
7	Trade payable						-		0.02				0.02
8	Commission payable				19.69		19.69				16.21		16.21
9	Outstanding guarantees given by subsidiary companies in respect of loan taken by the Company		449.45				449.45		275.72				275.72
10	Provision for doubtful loan/advances and interest accrued against outstanding balances		41.74				41.74		72.72				72.72

The transactions with related parties are as per the terms of arrangement between the parties in the normal course of business and to be settled through receipt/payment or sale/purchase of goods or services.

- (i) Provision for incremental gratuity liability and leave encashment for the current year in respect of directors has not been considered above, since the provision is based on a actuarial basis for the Company as a whole.

- (c) Maximum amount of loans and advances outstanding during the year:

Rs. Crores

S. No.	Name of the Company	Amount outstanding at the year end (gross)		Maximum amount outstanding during the year	
		This year	Previous year	This year	Previous year
1	DCM Shriram Credit and Investments Limited *	7.09	11.45	13.13	11.45
2	DCM Shriram Infrastructure Limited *	26.39	26.27	26.39	26.27
3	Shriram Bioseed Ventures Limited *	114.80	114.34	115.34	114.34
4	Shri Ganpati Fertilizers Limited *	-	44.15	37.32	46.18
5	Hariyali Rural Ventures Limited	0.01	0.01	0.01	0.01
6	DCM Shriram Foundation	0.01	0.01	0.01	0.01
7	Bioseed Holding PTE Limited *	18.72	19.36	19.36	21.49
8	Bioseed Vietnam Limited	-	-	-	0.23
9	Bioseed Research Philippines Inc.	0.20	0.23	0.23	0.23
	Total	167.22	215.82		

\* includes loans given during the year for working capital requirements

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

## 32. Employee Benefits

The Company has classified the various benefits provided to employees as under:-

(i) Defined contribution plans:

The Company has recognized the following amounts in the statement of profit and loss:

	Rs. Crores	
	This year	Previous year
- Employers' contribution to provident fund*	30.20	29.36
- Employers' contribution to superannuation fund	8.25	8.97
- Employers' contribution to employees' state insurance corporation	0.34	0.40

\* There is no shortfall in the interest cost for which Company is liable as at the date of financial statements.

(ii) Disclosure in respect of Defined benefit obligation (Gratuity) is as under:

The principal assumptions used for the purpose of actuarial valuation were as under:

	Rs. Crores	
Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate per annum	6.90%	6.73%
Expected rate of salary increase	8.00%	8.00%
Mortality rate	IALM (2012-14) ultimate	IALM (2012-14) ultimate
Withdrawal rates:		
- Upto 30 years	3%	3%
- 31 to 44 years	2%	2%
- above 44 years	1%	1%
Retirement age	58/60 yrs	58/60 yrs

(a) Amount recognised in statement of profit and loss in respect of the defined benefit plan are as follows:

	Rs. Crores	
	This year	Previous year
Components of defined benefit costs recognised in statement of profit and loss*		
Current service cost	12.90	10.64
Net interest expense	9.43	9.74
Components of defined benefit costs recognised in profit and loss	22.33	20.38
Components of defined benefit costs recognised in other comprehensive income		
Actuarial (gain)/loss from changes in financial assumptions	(2.04)	13.65
Actuarial (gain)/loss arising from experience adjustments	(4.88)	(0.52)
Return on plan assets (higher)/lower than discount rate	0.02	0.02
Total actuarial (gain)/loss recognised in other comprehensive income	(6.90)	13.15
Total amount recognised in statement of profit and loss	15.43	33.53

\* included in the salaries, wages, bonus, gratuity etc in note 22 "Employee Benefits expense".

## Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

(b) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit obligation/plans is as follows:

	Rs. Crores	
	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	162.80	162.29
Fair value of plan assets	(7.37)	(6.60)
Net liability arising from defined benefit obligation	155.43	155.59
- Non-current liability	126.92	131.18
- Current liability	28.51	24.51

(c) Movements in the fair value of plan assets are as follows:

	Rs. Crores	
	This year	Previous year
Opening fair value of plan assets	6.60	4.84
Expected return on plan assets	0.45	0.38
Employer contribution	0.89	1.90
Remeasurement gains/(losses):		
- Return on plan assets (higher)/lower than discount rate	(0.02)	(0.02)
Benefits paid	(0.55)	(0.50)
Closing fair value of plan assets	7.37	6.60

(d) Movements in the present value of defined benefit obligations are as follows:

	Rs. Crores	
	This year	Previous year
Opening defined benefit obligation	162.29	139.53
Current service cost	12.90	10.64
Interest cost	9.88	10.13
Remeasurement (gains)/losses:		
- Actuarial (gain)/loss from changes in financial assumptions	(2.04)	13.65
- Actuarial (gain)/loss arising from experience adjustments	(4.88)	(0.52)
Benefits paid by employer	(14.80)	(10.64)
Benefits paid from plan assets	(0.55)	(0.50)
Closing defined benefit obligations	162.80	162.29

(e) Sensitivity analysis

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

	Rs. Crores	
	As at March 31, 2021	As at March 31, 2020
Sensitivity of gross defined benefit obligation as mentioned above, in case of change in significant assumptions, would be as under :		
Discount rate		
(i) Discount rate -100 basis point	175.55	173.97
(ii) Discount rate + 100 basis point	151.83	151.92
Salary increase rate		
(i) rate -100 basis point	152.88	152.05
(ii) rate + 100 basis point	173.90	173.48

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

(f) Major categories of plan assets

The plan assets at one of the unit are maintained with LIC of India Gratuity Scheme. The details of investment maintained by LIC are not available and have therefore not been disclosed.

(g) The Company expects to contribute Rs. 1.28 crores to the LIC fund during the year 2021-22 (previous year - Rs. 1.11 Crores).

(h) The average expected future working life of members of the defined benefit obligation as at March 31, 2021 is 15.73 years (as at March 31, 2020 15.99 years)

(i) The maturity profile of defined benefit obligation is as follows:

Rs. Crores

Particulars	As at	As at
	March 31, 2021	March 31, 2020
within 1 year	35.88	31.11
between 2-5 years	50.12	53.69
between 6-10 years	61.62	61.84

33. (a) Amount recognised in statement of profit and loss for investment properties

Rs. Crores

	This year	Previous year
Rental income	0.79	4.94
Income from investment properties before depreciation	0.79	4.94
Depreciation	0.10	0.11
Income from investment properties after depreciation	0.69	4.83

(b) Fair value

The fair value of the Company's investment properties as at March 31, 2021 and March 31, 2020 have been arrived at on the basis of a valuation carried out by government approved independent valuers. The inputs used in fair valuation are circle rate of the property, prevailing market price of the similar kind of property in that area and other relevant factors.

Information about the fair value of the Company's investment properties and fair value hierarchy are as follows:

Rs. Crores

	As at	As at
	March 31, 2021	March 31, 2020
Fair value of the investment properties (Rs. Crores)	8.20*	60.15
Fair valuation hierarchy	Level 3	Level 3

\* excluding fair value of a property transferred to Property, Plant and Equipment during the year

34 Disclosure on adoption of Ind AS 116 'Leases' :

(i) Assets taken on lease

(a) Amounts recognised in the statement of profit or loss

Rs. Crores

	This year	Previous year
Depreciation charge of right-of-use assets		
Buildings	19.43	19.26
Leasehold land	0.34	0.51
	19.77	19.77
Interest expense (included in finance cost)	7.89	9.09
Expense relating to short-term leases (included in Rent)	1.01	3.77
Total cash outflows for leases	21.43	22.80
Amount of lease commitments for short-term leases	0.80	0.71



# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

36. The details of disputed Excise Duty, Service Tax, Income-Tax, Custom Duty and Sales-tax dues as on March 31, 2021 are as follows:

Rs. Crores

Name of the statute	Nature of the dues	Forum where pending	Amount*	Amount paid under protest	Period to which the amount relates
Central Excise Act, 1944	Excise duty	Customs, Excise and Service Tax Appellate Tribunal	0.54	-	2008-09, 2011-12, 2012-13, 2016-17
		Appellate Authority upto Commissioner's level	0.06	-	2009-2010, 2010-11, 2011-12
Finance Act, 1994	Service tax	Appellate Authority upto Commissioner's level	0.31	-	2005-06, 2016-17
Customs Act, 1962	Customs Duty	Customs, Excise and Service Tax Appellate Tribunal	9.82	0.62	2012-2013
		Appellate Authority upto Commissioner's level	0.05	-	2012-13, 2014-15, 2018-19
Sales Tax Laws	Sales tax	Appellate Authority upto Commissioner's level	1.48	0.44	1999-00, 2000-01, 2001-02, 2002-03, 2004-05, 2007-08, 2015-16, 2016-17
		Rajasthan State Board	0.28	0.28	2011-12
		Assistant Commissioner - Commercial tax department	0.12	0.05	2011-12

\*amount as per demand orders including interest and penalty wherever quantified in the Order.

37. Provision for contingencies in note 14 represents provision for various contingencies resulting from issues relating to reconstruction arrangement of the companies and other uncertainties requiring management judgement.

Rs. Crores

Particulars	As at March 31, 2021	As at March 31, 2020
As at the beginning of the year	12.09	20.74
Less: Appropriated during the year	-	(8.65)
As at the end of the year	12.09	12.09

38 Donation includes Rs. Nil (2019-20 - Rs. 10 crores) towards political contribution.

38.1 Expenditure on corporate social responsibility activities under section 135 of the Companies Act 2013 as under:

Rs. Crores

Particulars	This year	Previous year
Amount required to be spent	20.08	18.34
Actual expenditure	20.11	18.44

39. Research and development expenses included under relevant heads in the statement of profit and loss Rs. 45.32 crores (2019-20 - Rs. 42.59 crores).

40 Employee share based payments (refer note 12)

The Company has an Employees Stock Purchase Scheme (DCM Shriram ESPS) which is administered through DCM Shriram Employees Benefits Trust based on acquisition of shares from the market to provide equity based incentives to employees under the Scheme. The shares offered, lock-in-period and grant price may be different for different eligible participants and determined at the time of every grant of shares. The expenses related to the grant of shares under the Scheme is accounted for on the basis of the fair value (which equals to market price of the Company's share on date of grant less exercise price) of share on the date of grant and is amortized on a straight line basis over the lock-in period, if any.

The number and weighted average fair value of equity shares granted during the year are as under:

Rs. Crores

Particulars	This year	Previous year
No. of equity shares granted during the year	2,87,500	64,000
Weighted average fair value on the grant date (Rs per equity share)	364.67	372.10

41. Assets pledged as security

A. The carrying amount of assets pledged as security for borrowings are as under:

Rs. Crores

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets	1,998.04	2,025.90
Inventories	1,761.87	2,143.68
Property, plant and equipment and intangible assets (including capital work-in-progress)	3,201.21	3,220.12
Total	6,961.12	7,389.70

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

## B. Nature of security and terms of repayment for secured borrowings

S. No.	Nature of Security	Terms of Repayment
<b>Short term working capital borrowings from banks:</b>		
1.	Loans from banks on cash credit account of Rs. 0.72 Crores (March 31, 2020 - Rs. 1.00 Crores) are secured by first pari passu charge on whole of the current assets, both present and future, of the company (except Shriram Bioseed Genetics, Hyderabad & Bioseed Research India, Hyderabad). These loans are further secured by a third charge by way of mortgage/hypothecation of all the immovable/movable properties (other than current assets) of the Company's undertakings at Kota in Rajasthan and Ajbapur, Rupapur, Loni & Hariawan in Uttar Pradesh.	- Repayable on demand
2.	Short Term Loans of Rs. 100 Crores (March 31, 2020 - Rs. 523.89) are secured by first pari passu charge on whole of the current assets, both present and future, of the company (except Shriram Bioseed Genetics, Hyderabad & Bioseed Research India, Hyderabad). These loans are further secured by a third charge by way of mortgage/hypothecation of all the immovable/movable properties (other than current assets) of the Company's undertakings at Kota in Rajasthan and Ajbapur, Rupapur, Loni & Hariawan in Uttar Pradesh.	- Repayable on demand
3.	Short Term Loans of Rs. 99.50 Crores (March 31, 2020 - Rs. 99.50 Crores) is secured by first pari passu charge by way of hypothecation on book debts and stocks, both present and future of the Company's undertakings at Shriram Bioseed Genetics and Bioseed Research India, Hyderabad.	- Repayable as per terms of agreement upto April 29, 2021
4.	Short Term Loans of Rs. Nil (March 31, 2020 - Rs. 139.98 Crores) is secured by way of hypothecation of identified subsidy receivables of indigenous urea.	Not applicable
<b>Non Convertible Debentures (NCD):</b>		
1.	7.05% NCD of Rs. 197.55 Crores (March 31, 2020- Rs. Nil) is secured by way of first pari passu mortgage/charge to be created on immovable and movable Fixed Assets, both present and future and a second charge to be created ranking pari passu on the current assets, both present and future, pertaining to the Company's Bharuch unit, Gujarat (Rs. Nil due within 1 year; March 31, 2020 - Rs Nil)	- Repayable in 17 equal semi annual installments commencing from September 2022
<b>Long term loans from banks:</b>		
1.	Term loans of Rs. 214.84 Crores (March 31, 2020 - Rs. 216.36 Crores) are secured by way of first pari passu mortgage/charge created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Ajbapur, Uttar Pradesh (Rs. 4.23 Crores due within 1 year; March 31, 2020 - Rs 1.53 Crores)	- Rs. 53.95 Crores repayable in 20 equal quarterly installments commencing from January, 2022 - Rs. 160.89 Crores repayable in 32 quarterly installments
2.	Term loans of Rs. 126.26 Crores (March 31, 2020 - Rs. 145.56 Crores) are secured by way of first pari passu mortgage/charge created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Kota, Rajasthan (Rs. 38.68 Crores due within 1 year; March 31, 2020 - Rs 15.12 Crores)	- Rs. 16.74 Crores repayable in Sep 2021 - Rs. 109.52 Crores repayable in 8 semi annual installments
3.	Term loans of Rs. 146.62 Crores (March 31, 2020 - 147.87 Crores) are secured by way of first pari passu mortgage/charge created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Hariawan, Uttar Pradesh (Rs. 1.32 Crores due within 1 year; March 31, 2020 - Rs 1.32 Crores)	- Rs. 91.11 Crores repayable in 28 quarterly installments - Rs. 15 Crores repayable in 2 annual installment commencing from December, 2023 - Rs. 40.52 Crores repayable in 32 quarterly installments
4.	Term loan of Rs. 121.67 Crores (March 31, 2020 - Rs. 157.51 crores) is secured by way of first pari passu mortgage/charge created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Ajbapur and Loni, Uttar Pradesh. (Rs. 40.35 Crores due within 1 year; March 31, 2020 - Rs 40.35 Crores)	- Repayable in 39 monthly installments.

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

S. No.	Nature of Security	Terms of Repayment
<b>Long term loans from banks:</b>		
5.	Term Loan of Rs 21 Crores (March 31, 2020 - Rs 21 Crores) is secured by way of First pari passu mortgage/charge created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Loni, Uttar Pradesh. (Rs. Nil due within 1 year; March 31, 2020 - Rs Nil)	- Repayable in 3 equal annual installments commencing from June 2023.
<b>Long term loans from others:</b>		
1.	Term loan of Rs. 102.03 Crores (March 31, 2020 - Rs. 122.81 Crores) is secured by way of first pari passu mortgage/charge created on immovable and movable Fixed Assets, both present and future and a second charge ranking pari passu on the current assets, both present and future, pertaining to the Company's Bharuch unit, Gujarat (Rs. 17.20 Crores due within 1 year; March 31, 2020 - Rs 17.79 Crores)	- Repayable in 12 equal semi annual installments
2.	Term Loan of Rs 144.03 Crores (March 31, 2020 - Rs 148.50 Crore) is secured by way of First pari passu mortgage/charge created on immovable and movable Fixed Assets, both present and future and a second charge ranking pari passu on the current assets, both present and future, pertaining to the Company's unit at Hariawan, UP (Rs 15.39 due within 1 year; March 31, 2020 - Rs Nil)	- Repayable in 19 equal semi annual installments commencing from June 2021
3.	Term loan of Rs. Nil (March 31, 2020 - Rs. 2.85 Crores) is secured by way of an exclusive second charge on all immovable and movable assets (save and except book debts) both present and future, pertaining to the Company's Rupapur Sugar Complex, Uttar Pradesh (Rs. Nil due within 1 year; March 31, 2020 - Rs 2.85 Crores)	- Not applicable
4.	Term Loan of Rs. 30.86 Crores (March 31, 2020 - Rs. 33.47 Crores) is secured by way of a first pari passu charge on all immovable and movable properties both present and future, pertaining to the Company's Ajbapur Sugar Complex, Uttar Pradesh (Rs 7.40 Crores due within 1 year; March 31, 2020 - Rs 3.65 Crores)	- Repayable in 10 equal semi annual installments commencing after 3 years from respective drawdown
5.	Term loan of Rs. 1.25 Crores (March 31, 2020 - Rs. 1.67 Crores) from Department of Biotechnology, Government of India is secured against hypothecation of plant & machinery, machinery spares, tools and accessories acquired from the loan proceeds to Company's Bioseed Research India division. (Rs. 0.34 Crores due within 1 year; March 31, 2020 - Rs 0.45 Crores)	- Rs. 0.26 Crores repayable by April 05, 2021 - Rs. 0.08 Crores repayable in 3 equal semi annual installments - Rs. 0.91 Crores repayable in 10 equal semi annual installments commencing from Sep 21
6.	Term Loan of Rs. 33.58 Crores (March 31, 2020 - Rs. 46.17 Crores) is secured by way of a first pari passu charge on all immovable and movable properties both present and future, pertaining to the Company's Hariawan Sugar Complex, Uttar Pradesh (Rs. 14.25 Crores due within 1 year; March 31, 2020 - Rs 14.25 Crores)	- Repayable in 7 equal semi annual installments

## 42. Income tax expense

	Rs. Crores	
	This year	Previous year
(a) Income tax expense		
Current tax		
Current tax on profits for the year	173.06	116.21
Adjustments for current tax of earlier years*	(7.65)	(11.32)
Total current tax expense	165.41	104.89
Deferred tax		
Deferred tax charge/(credit)	38.59	72.25
Adjustments for deferred tax of earlier years*	9.29	2.49
Total deferred tax expense/(benefit)	47.88	74.74
Total tax expense	213.29	179.63



# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

	Rs. Crores	
	This year	Previous year
(b) Reconciliation of tax expense and the accounting profit		
Profit before tax	875.77	923.30
Income tax expense calculated at 34.944%	306.03	322.64
Tax adjustment of earlier years	1.64	(8.83)
(i) Tax effect of:		
- Corporate social responsibility expenses not allowed as deduction	3.25	6.45
- Weighted deduction on research and development expenses	-	(1.98)
- Deduction under section 80-IA of the Income tax act 1961	(103.05)	(152.17)
- deductible temporary differences on which no deferred tax is recognised	0.70	11.03
(ii) Others	4.72	2.49
Income tax expense	213.29	179.63

(c) Tax effect on unrecognised temporary differences relating to:

	Rs. Crores	
	This year	Previous year
(i) Provision for impairment in value of investments/loans and advances in subsidiaries	32.30	27.89
(ii) Provision for impairment in value of assets held for sale	-	9.83
Total	32.30	37.72

(d) Deferred tax movements

Deferred tax assets/(liabilities) in relation to:

	Rs. Crores					
	Provision for gratuity and compensated absences	Provision for doubtful debts and advances	Depreciation	Others	MAT credit entitlement	Total
As at April 1, 2019	82.12	39.90	(426.22)	33.14	344.64	73.58
(Charged)/credited to:						
Profit or loss	7.46	(6.68)	(76.06)	3.03	43.01	(29.24)
Other comprehensive income	5.48	-	-	1.48	-	6.96
Adjustment related to earlier years *	-	-	-	(2.49)	11.32	8.83
As at March 31, 2020	95.06	33.22	(502.28)	35.16	398.97	60.13
(Charged)/credited to:						
Profit or loss	4.08	12.56	(48.74)	(6.49)	(13.52)	(52.11)
Other comprehensive income	(2.41)	-	-	(1.27)	-	(3.68)
Adjustment related to earlier years *	(0.39)	-	(0.52)	(8.38)	8.27	(1.02)
As at March 31, 2021	96.34	45.78	(551.54)	19.02	393.72	3.32

\* Tax charge of earlier years finalised on filing of returns/completion of assessments with corresponding impact on MAT

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

## 43 Financial instruments by category

The criteria for recognition of financial instruments is explained in significant accounting policies note 1.3 (k)

Rs. Crores

	As at March 31, 2021			As at March 31, 2020		
	Amortised cost*	FVTOCI	FVTPL	Amortised cost*	FVTOCI	FVTPL
Financial assets						
Investments						
- Equity instruments	-	1.85	-	-	1.85	-
- Preference shares	0.88	-	-	0.88	-	-
- Government securities	0.06	-	-	0.06	-	-
Trade receivables	450.98	-	-	1,069.47	-	-
Loans	153.11	-	-	156.08	-	-
Cash and cash equivalents and bank balances	546.34	-	757.74	482.52	-	58.93
Derivative financial assets	-	-	5.66	-	0.40	25.69
Others	270.52	-	-	249.99	-	-
<b>Total financial assets</b>	<b>1,421.89</b>	<b>1.85</b>	<b>763.40</b>	<b>1,959.00</b>	<b>2.25</b>	<b>84.62</b>
Financial liabilities						
Borrowings	1,288.84	-	-	2,044.48	-	-
Trade payables	668.48	-	-	910.22	-	-
Other financial liabilities	385.39	-	-	396.68	-	-
Derivative financial liabilities	-	1.32	1.85	-	5.16	-
<b>Total financial liabilities</b>	<b>2,342.71</b>	<b>1.32</b>	<b>1.85</b>	<b>3,351.38</b>	<b>5.16</b>	<b>-</b>

\* The fair value of non-current financial assets and financial liabilities carried at amortized cost is substantially same as their carrying amount.

## 44 Capital management

The Company endeavours to optimize debt and equity balance and provide adequate strength to the balance sheet. The Company monitors capital on the basis of debt equity ratio.

## 45 Financial risk management

The Company's activities expose it to various financial risks : Credit risk, Liquidity risk and Market risk.

### 45.1 Credit risk management

Credit risk arises from credit exposure to customers (including receivables and deposit), loans and other financial assets. The Company perform credit evaluation and defines credit limits for each customer/counter party. The Company also continuously reviews and monitors the same.

The provision for doubtful debts or provision for impairment of investments etc is made on case to case basis, based on the information related to financial position, past history/ageing and other relevant available information about the counterparty. The Company also makes general provision for lifetime expected credit loss based on its previous experience of provision/write off in previous years.

The movement in the provision for doubtful debts and provision diminution in value of investments is as under:

Rs. Crores

Particulars	Trade receivables	Loans	Investments
As at April 1, 2019	84.59	11.41	81.40
Provision made during the year 2019-20	13.91	21.87*	-
Written off/(written back) during the year 2019-20	(37.95)	-	-
Provision as at March 31, 2020	60.55	33.28	81.40
Provision made during the year 2020-21	5.20	-	-
Written off/(written back) during the year 2020-21	(0.14)	(7.01)	-
Provision as at March 31, 2021	65.61	26.27	81.40

\* includes Rs 8.65 crores appropriated from provision for contingency created in earlier years

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

## 45.2 Liquidity risk management

- (i) The Company manages liquidity by ensuring control on its working capital which involves adjusting production levels and purchases to market demand and daily sales of production and low receivables. It also ensures adequate credit facilities sanctioned from bank to finance the peak estimated funds requirements. The working capital credit facilities are continuing facilities which are reviewed and renewed every year.

The Company also ensures that the long term funds requirements are met through adequate availability of long term capital (Debt & Equity)

Rs. Crores

	As at March 31, 2021	As at March 31, 2020
Total Committed working capital limits from Banks	1,150.00	1,095.00
Utilized working capital limit	200.22	624.69
Unutilized working capital limit	949.78	470.31

- (ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amount disclosed in the table are the contractual undiscounted cash flow.

Contractual maturities of financial liabilities

Rs. Crores

	Upto 1 year	Between 1 year to 5 year	Over 5 years	Total
<b>As at March 31, 2021</b>				
Non-derivatives				
Borrowing *	240.26	797.02	232.34	1,269.62
Trade Payables	668.48	-	-	668.48
Lease liabilities	16.52	45.18	5.42	67.12
Other financial liabilities	154.46	-	-	154.46
Total non-derivative liabilities	1,079.72	842.20	237.76	2,159.68
Derivatives (net settled)				
Interest rate swap	1.32	-	-	1.32
Foreign exchange forward contracts	1.85	-	-	1.85
Total derivative liabilities	3.17	-	-	3.17
<b>As at March 31, 2020</b>				
Non-derivatives				
Borrowing *	548.98	641.61	356.24	1,546.83
Trade Payables	910.22	-	-	910.22
Lease liabilities	30.40	57.83	38.94	127.17
Other financial liabilities	165.66	-	-	165.66
Total non-derivative liabilities	1,655.26	699.44	395.18	2,749.88
Derivatives (net settled)				
Interest rate swap	5.16	-	-	5.16
Total derivative liabilities	5.16	-	-	5.16

\* Excludes utilized working capital limited disclosed in note 45.2 (i)

- (iii) Reconciliation for financial liabilities arising from financing activities as per Para 44A of IndAS 7.

Rs. Crores

Particulars	Long term borrowings	Short term borrowings	Interest accrued on borrowings
Opening balance as on April 1, 2019	1,071.87	539.34	13.31
Add: Additions during the year	165.71	530.48*	63.69
Less: Repayments during the year	(200.41)	-	(58.55)
Add/(Less): Foreign exchange fluctuation (gain)/loss	34.13	-	-
Add/(Less): Amortisation impact on borrowings	7.21	-	-
Closing balance as on March 31, 2020	1,078.51	1,069.82	18.45
Add: Additions during the year	201.54	-	58.03
Less: Repayments during the year	(94.69)	(793.15)*	(70.21)
Add/(Less): Foreign exchange fluctuation (gain)/loss	(15.38)	-	-
Add/(Less): Amortisation impact on borrowings	6.00	-	-
Closing balance as on March 31, 2021	1,175.98	276.67	6.27

\* net movement during the year

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

## 45.3 Market Risk

a) The Company's operations are mainly in India and therefore rupee denominated, except the following:

- Foreign currency denominated loans (Long term & Short term)
- Imports of some raw material, stores & spares and capital equipments
- Export of finished goods

The Company follows a policy of keeping these liabilities/assets fully hedged against foreign currencies. Regarding interest rate fluctuation, it follows a policy of partial hedge.

Some of the rupee liabilities have interest linked to the bank's MCLR or Financial market benchmark rates and are subject to variation in such rates.

b) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate change at the end of the reporting period are as follows:

	Rs. Crores	
	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings		
Long Term	376.92	576.57
Short Term	130.78	175.14
Total Variable rate borrowings	507.70	751.71
Fixed rate borrowings		
Long Term	635.25	398.09
Short Term	309.70	998.53
Total fixed Rate borrowings	944.95	1,396.62
Total Borrowings	1,452.65	2,148.33

c) Sensitivity

Variable interest rate loans are exposed to Interest rate risk, the impact on Profit or loss before tax may be as follows:

	Rs. Crores	
	Impact on profit before tax	
	This year	Previous year
Interest rate- increase by 100 basis points (100 bps)*	(5.07)	(7.52)
Interest rate- decrease by 100 basis points (100 bps)*	5.07	7.52

\* Holding all other variable constant

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

## 45.4 Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position:

Rs. Crores

March 31, 2021									
Type of hedge and risks	Nominal value of hedged instruments#		Carrying amount of hedging instrument##		Maturity date	Hedge ratio	Weighted average strike price/rate	Gain(loss) in fair value of hedging instrument	Gain(loss) in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash Flow hedge									
Foreign exchange risk									
(i) Foreign exchange forward contracts	68.91	17.24	69.17	16.97	5-Apr-21 to 18-Jan-22	1:1	USD 73.17 EUR 86.69 JPY 0.71 CHF 81.22 GBP 100.18	0.53	0.53
Fair value hedge									
(i) Foreign exchange forward contracts	351.71	20.10	371.28	20.83	5-Apr-21 to 3-Nov-21	1:1	USD 69.64 EUR 87.37 SEK 8.46	18.83	18.83
March 31, 2020									
Cash Flow hedge									
Foreign exchange risk									
(i) Foreign exchange forward contracts	24.55	-	25.30	-	03-Apr-20 to 30-Sep-20	1:1	USD 73.16 EUR 81.04 JPY 0.67 CHF 73.45	0.76	0.76
Fair value hedge									
(i) Foreign exchange forward contracts	353.81	22.35	389.03	24.02	3-Apr-20 to 27-Nov-20	1:1	USD 68.80 EUR 80.39	33.55	33.55

# Nominal value is the INR value of the instrument based on spot rate of the first hedge

## Carrying value is the INR value of the instrument based on the spot rate of the reporting date

(b) Disclosure of effect of hedge accounting on financial performance

Movement in cash flow hedging reserve

Rs. Crores

Risk category Derivative instrument	Foreign currency risk	Interest rate risk	Total
	Foreign exchange forward contracts	Interest rate swaps	
(i) <u>Cash flow hedging reserve</u>			
As at April 1, 2019	(0.57)	0.29	(0.28)
Add: Change in spot element of foreign exchange forward contracts	0.51	-	0.51
Add: Changes in fair value of interest rate swaps	-	(6.17)	(6.17)
Less: Amount reclassified to profit or loss under the heading 'Cost of materials consumed'	0.47	-	0.47
Less: Amount included in Property, plant and equipment	0.96	-	0.96
Less: Deferred tax relating to above (net)	1.48	-	1.48
As at March 31, 2020	2.85	(5.88)	(3.03)
Add: Change in spot element of foreign exchange forward contracts	0.30	-	0.30
Add: Changes in fair value of interest rate swaps	-	3.84	3.84
Less: Amount reclassified to profit or loss under the heading 'Cost of materials consumed'	(0.35)	-	(0.35)
Less: Amount included in Property, plant and equipment	(0.17)	-	(0.17)
Less: Deferred tax relating to above (net)	(1.27)	-	(1.27)
As at March 31, 2021	1.36	(2.04)	(0.68)

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

## 46 Fair value hierarchy (refer note 43)

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table presents fair value hierarchy of financial assets and financial liabilities measured at fair value on a recurring basis:

Rs. Crores

	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2021</b>				
Financial assets				
Investments in liquid mutual fund at FVTPL	757.74	-	-	757.74
Investments in equity shares (unquoted) at FVTOCI	-	-	1.85	1.85
Other derivatives (foreign currency options) at FVTPL	-	5.66	-	5.66
<b>Total financial assets</b>	<b>757.74</b>	<b>5.66</b>	<b>1.85</b>	<b>765.25</b>
Financial liabilities				
Foreign currency forward contracts designated in hedge accounting relationship	1.85	-	-	1.85
Interest rate swaps designated in hedge accounting relationship at FVTOCI	-	1.32	-	1.32
<b>Total financial liabilities</b>	<b>1.85</b>	<b>1.32</b>	<b>-</b>	<b>3.17</b>
<b>As at March 31, 2020</b>				
Financial assets				
Investments in liquid mutual fund at FVTPL	58.93	-	-	58.93
Investments in equity shares (unquoted) at FVTOCI	-	-	1.85	1.85
Foreign currency forward contracts designated in hedge accounting relationship	16.17	-	-	16.17
Other derivatives (foreign currency options) at FVTPL	-	9.92	-	9.92
<b>Total financial assets</b>	<b>75.10</b>	<b>9.92</b>	<b>1.85</b>	<b>86.87</b>
Financial liabilities				
Interest rate swaps designated in hedge accounting relationship at FVTOCI	-	5.16	-	5.16
<b>Total financial liabilities</b>	<b>-</b>	<b>5.16</b>	<b>-</b>	<b>5.16</b>

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 inputs are unobservable inputs for the asset or liability

## 47. Asset classified as held for sale

The segment to which the 'assets held for sale' relates are as under:

Rs. Crores

Particulars	As at March 31, 2021	As at March 31, 2020
- Sugar	0.40	0.40
- Chloro Vinyl	10.98	10.88
- Shriram Farm Solutions	1.37	1.37
- Others (Hariyali Kisaan Bazaar)	49.63	58.04
- Unallocated	7.01	13.06
	<b>69.39</b>	<b>83.75</b>

Assets classified as held for sale is measured at the lower of the carrying amount and fair value less costs to sell at the reporting date. The fair value of the assets held for sale is determined using level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures.

Amounts recognised in the statement of profit and loss on assets held for sale is as under:

Rs. Crores

Particulars	This year	Previous year
Provision/(Reversal) for impairment in value of assets held for sale included in 'other expenses' in the statement of profit and loss	(5.05)	5.60
Profit (net) recognised in 'other income' in the statement of profit and loss on sale of assets held for sale	5.69	1.43

## Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

48. Based on the information available with the Company as at year end, the principal amount and interest due to Micro and small enterprises as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is Rs. 26.44 crores (March 31, 2020 - Rs. 13.14 crores) and Rs. Nil (March 31, 2020 Rs Nil) respectively.

### 49. Disclosures related to government grant

The government grant/government assistance recognised are as under:

Nature of Grant/assistance	Income/Expense head	Rs. Crores	
		This year	Previous year
<u>Sugar</u>			
Production subsidy on cane crushed	Cost of materials consumed	-	10.15
Sugar export assistance	Sale of products	166.88	123.98
Interest subsidy (previous year includes Rs 7.18 crores for earlier years)	Other income	19.44	25.51
Buffer stock subsidy	Other income	8.26	21.49
Benefit of loan at concessional rate of interest	Other income	7.19	8.46
<u>Bioseed</u>			
Benefit of loan at concessional rate of interest	Other income	0.02	0.04

50. Details of pre-operative expenses pending allocation included under capital work-in-progress in note 2.1 is as under:

Particulars	Rs. Crores	
	As at March 31, 2021	As at March 31, 2020
Finance cost	2.60	21.46
Salaries, wages etc	5.34	6.75
Insurance	0.13	0.06
Power, fuel etc	0.37	7.98
Miscellaneous expenses	1.44	3.90
	9.88	40.15
Add: Brought forward from previous year	6.64	12.14
Total	16.52	52.29
Less: Capitalised during the year	(1.46)	(45.65)
Transferred to capital work-in-progress	15.06	6.64

51 Hon'ble High Court of Allahabad vide its order dated February 12, 2019 has set aside and quashed the notification withdrawing the Sugar Industrial Promotion Policy 2004 (Policy). The State Government has filed special leave petition (SLP) with Supreme Court against the above said order. The Company has not accrued the benefits consequent to the above said order due to uncertainties of the amount and the collection thereof.

52 In preparation of financial statements for the year ended March 31, 2021, the Company has taken into account the possible impact of COVID-19 and the related internal and external factors known to the management upto the date of approval of these financial statements to assess the carrying amount of its assets and liabilities. Accordingly, no material impact is anticipated in these financial statements.

## Notes to the Standalone Financial Statements For The Year Ended March 31, 2021

- 53 During the financial year ended March 31, 2020, the Board of Directors has approved the merger of Bioseed Limited with Shriram Bioseed Ventures Limited (wholly owned subsidiaries). The proposed merger is subject to NCLT and other regulatory approvals.
- 54 The Company sold the entire equity shares held and transferred the management control in its subsidiary Shri Ganpati Fertilisers Limited with effect from May 19, 2020.
- 55 The Board of Directors, in its meeting held on May 4, 2021, have recommended a final dividend of Rs. 3.80/- per equity share of Rs 2/- each aggregating to Rs. 59.26 crores for the financial year ended March 31, 2021. The recommendation is subject to the approval of shareholders at the forthcoming Annual General Meeting.

### 56. Particulars of sales

Rs. Crores

Description	Sales	
	2020-21	2019-20
Urea	895.53	975.65
PVC resins	606.02	384.11
Caustic soda	951.92	1,513.75
Marketable Calcium carbide	77.50	126.29
Super Phosphate	-	63.66
Seeds	812.89	673.66
Cement	165.00	165.78
Sugar	2,573.46	2,087.56
Ethanol	649.84	286.70
Unplasticized polyvinyl chloride (UPVC) windows	355.97	411.07
Power Sale	114.14	114.06
Petrol / Diesel	201.97	228.36
Other sales/stocks and adjustments	775.13	565.63
<b>Total</b>	<b>8,179.37</b>	<b>7,596.28</b>

The accompanying notes form an integral part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

Harinderjit Singh

Partner

Membership No. 086994

Place: Gurugram

Date: May 4, 2021

Sameet Gambhir

Company Secretary

Place: New Delhi

Amit Agarwal

Chief Financial Officer

Place: New Delhi

Pradeep Dinodia

Director

DIN: 00027995

Place: New Delhi

Ajay S. Shriram

Chairman & Sr. Managing Director

DIN: 00027137

Place: New Delhi



# Independent Auditor's Report

## To the Members of DCM Shriram Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of DCM Shriram Limited (hereinafter referred to as the 'Holding Company'), its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled company (refer Note 57 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its jointly controlled company as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and jointly controlled company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 16 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

Below Key Audit Matters have been reproduced from the report, of the even date, on the audit of standalone financial statements of the Holding Company.

Key Audit Matter	How our audit addressed the key audit matter
<p>4.1 Determination of carrying value of inventory of sugar, including related joint and other products as at the year ended March 31, 2021</p> <p>(Refer to the accompanying notes 1.4 (f), 6 and 53 forming integral part of the Consolidated Financial Statements)</p> <p>As on March 31, 2021, the Holding Company had an inventory of sugar and related products i.e., molasses, ethanol, etc. with a carrying value of Rs.1,218.53 crores. During the previous year, the Company had commenced production of ethanol at its Distillery units using a particular type of molasses (B-heavy, a product produced along with sugar).</p> <p>Sugar and B-heavy molasses have been recognised as joint products and the cost of Sugar and B-heavy molasses have been recognised as joint products and the cost of production has been allocated between these joint products based on technical estimates.</p> <p>We considered the determination of carrying value of the inventory (i.e., lower of cost and NRV) of joint products, sugar and B-heavy molasses as a Key Audit Matter given the relative size in the consolidated financial statements and significant judgement involved in analysing the relevant factors such as basis for classification of B heavy molasses as a joint product, determination of a rational basis for allocation of cost i.e., on technical estimates, between the joint products in calculating the cost of inventories and NRV determined basis minimum sale price, monthly quota, fluctuation in selling prices and the related notifications of the Government authorities.</p>	<p>We understood the design and tested the operating effectiveness of controls as established by the management in determination of cost for joint products and estimated net realizable value of inventory of sugar and related products.</p> <p>We considered various factors including technical assessment of the management, industry practice, significance of the products, manufacturing objective in determination of classification of the products as 'joint products'; the relative net realisable value of sugar and B-heavy molasses based ethanol in determination of a rational basis for allocation of cost between the joint products; and the actual selling price prevailing prior and subsequent to the year end, minimum selling price, monthly quota and other notifications of the Government of India, initiatives taken by the Government with respect to sugar industry as a whole.</p> <p>Based on the above procedures performed, the carrying value and existence of inventory of sugar and related products as at the year-end determined by the management is considered to be reasonable.</p>

# Independent Auditor's Report

Key Audit Matter	How our audit addressed the key audit matter
<p><b>4.2 Assessment of impairment of investments and loans/advances given to subsidiaries</b></p> <p>(Refer to the accompanying notes 1.5(iii) and 53 forming integral part of the Consolidated Financial Statements and notes 3.1, 3.2, 7.4, 9, 25 and 31 of Standalone Financial Statements of the Holding Company).</p> <p>The Holding Company has given loans and advances to subsidiaries aggregating to Rs. 182.78 crores as at March 31, 2021 and has investments amounting to Rs. 150.86 crores in this regard. These subsidiaries have incurred loss during the year and as at the year end their net worth stands substantially eroded which indicates potential impairment of investment in those subsidiaries along with loans and advances given to such subsidiaries.</p> <p>The Holding Company has recognized impairment of Rs. 123.14 crores as at March 31, 2021 (including Rs. Nil during the year) against the above investments and loans and advances.</p> <p>We considered this a key audit matter given the relative significance of value of investment and loans and advances to the financial statements and extent of management's judgements and estimates involved such as future cash flows, discount rate, terminal value and economic growth rates etc. around the impairment assessment done by the management.</p>	<p>We understood and tested the design and operating effectiveness of controls as established by the management in determination of appropriateness of the carrying value of investments, loans and advances.</p> <p>We evaluated the Holding Company's process regarding impairment assessment by involving our valuation expert (auditor's expert) to assist in assessing the appropriateness of the impairment model including the independent assessment of the underlying assumptions relating to discounts rate, economic growth rate, terminal value etc.</p> <p>We evaluated the cash flow forecasts (with underlying economic growth rate) by comparing them to the budgets provided by the management and our understanding of the industry's external factors.</p> <p>We assessed the Holding Company's sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment.</p> <p>We checked the mathematical accuracy of the impairment model and the appropriate accounting in the standalone financial statements.</p> <p>Based on the above procedures performed, we observed the management's impairment assessment to be reasonable.</p>
<p><b>4.3 Impact of government policies/notifications on recognition of subsidy accruals/claims and their recoverability</b></p> <p>(Refer to the accompanying notes 1.4 (g)(ii), 1.5 (v) (b), 19, 29, 44.1 and 53 forming integral part of the Consolidated Financial Statements).</p> <p>During the year, the Holding Company has recognised accruals/subsidy claims amounting to Rs. 683.98 crores (net) and as at March 31, 2021, the Holding Company has receivables of Rs.153.07 crores relating to such claims which is significant to the consolidated financial statements.</p> <p>We focused on this area because recognition of accruals/claims and assessment of recoverability of the claims is subject to significant judgement of the management. The area of judgement includes certainty around the satisfaction of conditions specified in the notifications/policies, collections, provisions thereof, likelihood of variation in the estimation of the related computation rates and the final notification, and basis for determination of accruals/claims.</p>	<p>We understood and tested the design and operating effectiveness of controls as established by management in recognition and assessment of the recoverability of the claims.</p> <p>We evaluated the management's assessment regarding reasonable certainty for complying with the relevant conditions as specified in the Notifications / policies and collections.</p> <p>We considered the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of accruals/claims, adjustments to claims already recognised pursuant to changes in the rates and basis for determination of claims.</p> <p>We tested the ageing analysis and assessed the information used by the management to determine the recoverability of the claims by considering historical trends of collections against claims, the level of credit loss charged over time, provisions and reversal of provisions made.</p> <p>Based on the above procedures performed, the management's estimates related to recognition of subsidy accruals/claim and their recoverability are considered to be reasonable.</p>

# Independent Auditor's Report

Key Audit Matter	How our audit addressed the key audit matter
<p>4.4 Appropriateness of Carrying amount of deferred tax assets relating to Minimum Alternate Tax (MAT) credit (Refer to the accompanying notes 1.4 (m), 1.5(iv), 4, 26, 40 and 53 forming integral part of the Consolidated Financial Statements)</p> <p>The Holding Company has recognised deferred tax assets on the unutilised tax credits, representing Minimum Alternate Tax (MAT) paid on the accounting profit in earlier years over and above the normal taxable profit, in accordance with the provisions of Section 115JB of the Income-tax Act, 1961 and related rules. The carrying amount of MAT Credit, included under Deferred Tax Assets (net) is Rs. 393.72 crores as at the balance sheet date.</p> <p>We considered this as a Key Audit Matter as the assessment of the appropriateness of the carrying amount of deferred tax asset relating to MAT involves significant management judgement in assessing the availability of future taxable profits to offset the accumulated MAT credits, assessment of assumptions (internal / external factors) underlying the future profit projections to establish reasonable certainty around utilization of the asset.</p>	<p>We understood the design and tested the operating effectiveness of Holding Company's controls relating to taxation and the assessment of carrying amount of deferred tax assets. We reviewed the Holding Company's accounting policy in respect of recognizing deferred tax assets on unutilised MAT credits.</p> <p>We evaluated whether the tax credit entitlements are legally available to the Holding Company in respect of the future years, as estimated by the management while projecting the taxable profits, considering to the provisions of Income-tax Act, 1961. We assessed the reasonableness of the assumptions underlying management's profit projections such as the growth rates in light of the relevant economic and industry indicators.</p> <p>We also assessed the sensitivity analysis applied by the Holding Company and evaluated if any change in the assumptions will lead to any material change in carrying amount.</p> <p>We checked the mathematical accuracy of the underlying calculations of the profit projections. We also evaluated the adequacy and appropriateness of disclosures made in the consolidated financial statements.</p> <p>Based on the above procedures performed, the carrying amount of deferred tax assets, including disclosure relating to MAT credit, are considered to be reasonable.</p>

## Other Information

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer sub-paragraph 16 below of Other Matters paragraph below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

- The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its jointly controlled company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group

and of its jointly controlled company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

- In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and jointly controlled company are responsible for assessing the ability of the Group and jointly controlled company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
- The respective Board of Directors of the companies included in the Group and of its jointly controlled company are responsible for overseeing the financial reporting process of the Group and jointly controlled company.

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

- Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material

# Independent Auditor's Report

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

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. Also refer sub-paragraph 16 of the Other Matters paragraph below. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to the consolidated financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its jointly controlled company 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its jointly controlled company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the

consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and jointly controlled company included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

16. We did not audit the consolidated financial statements of three subsidiaries, namely Bioseed Limited (having step down subsidiaries Bioseed Holdings PTE Limited, Bioseed Vietnam Limited, Bioseed Research Philippines Inc., Shriram Bioseed (Thailand) Limited), Shriram Bioseed Ventures Limited (having step down subsidiary Bioseed Research USA Inc.) and DCM Shriram Credit and Investments Limited (having step down subsidiary DCM Shriram Infrastructure Limited), and standalone financial statements of five subsidiaries, namely Bioseed India Limited, Haryali Rural Ventures Limited, DCM Shriram Aqua Foods Limited, Fenesta India Limited and Shri Ganpati Fertilizers Limited whose financial statements reflect total assets of Rs 389.91 crores and net assets of (Rs 29.82) crores as at March 31, 2021, total revenue of Rs. 117.35 crores, total comprehensive income (comprising of loss and other comprehensive income) of (Rs 0.02) crores and net cash flows amounting to Rs 11.16 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. Also refer Notes 52(i) and 52(ii) in the attached consolidated financial statements for matters included as emphasis of matter and other matter respectively in the other auditors' report dated April 15, 2021.

# Independent Auditor's Report

## Report on Other Legal and Regulatory Requirements

17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled company incorporated in India, none of the directors of the Group companies and jointly controlled company incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to the consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and jointly controlled company– Refer Note 28 to the consolidated financial statements.
  - ii. The Group and its joint controlled company did not have any long-term contracts including derivative contracts as at March 31, 2021 for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, and jointly controlled company incorporated in India.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.

18. The Holding 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. The subsidiaries incorporated in India have not paid / provided any managerial remuneration to any director during the year. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the joint venture company.

For Price Waterhouse Chartered Accountant LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

Harinderjit Singh

Partner

Place: Gurugram

Date: May 04, 2021

Membership Number: 086994

UDIN: 21086994AAAAAJ1231

## Annexure A to Independent Auditors' Report

Referred to in paragraph 17 (f) of the Independent Auditors' Report of even date to the members of DCM Shriram Limited on the consolidated financial statements for the year ended March 31, 2021

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of DCM Shriram Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, including those audited by other auditors (refer paragraph 9 below) and jointly controlled company, which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, and jointly controlled company (refer to note 57 forming integral part of the Consolidated Financial Statements), to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy

# Independent Auditor's Report

and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

## Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

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

## Inherent Limitations of Internal Financial Controls with reference to financial statements

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

## Opinion

8. In our opinion, the Holding Company, its subsidiary companies and jointly controlled company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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.

## Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to standalone financial statements of five subsidiary companies and consolidated financial statements of two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Price Waterhouse Chartered Accountant LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

Harinderjit Singh

Partner

Place: Gurugram

Date: May 04, 2021

Membership Number: 086994

UDIN: 21086994AAAAAJ1231

## Consolidated Balance Sheet As At March 31, 2021

	Note	As at March 31, 2021 Rs. Crores	As at March 31, 2020 Rs. Crores
<b>ASSETS</b>			
<u>Non-current assets</u>			
Property, plant and equipment	2.1	3,266.94	3,392.40
Capital work-in-progress	2.1	103.22	51.06
Investment property	2.2	0.71	6.74
Goodwill	2.3	78.69	81.13
Other intangible assets	2.3	13.17	18.73
Intangible assets under development	2.3	5.77	8.06
Financial assets			
Investments			
- Investment in Joint Venture	3.1	26.19	24.53
- Other investments	3.1	4.06	4.25
Loans	3.2	13.56	10.26
Other financial assets	3.3	39.64	43.13
Deferred tax assets (Net)	4	0.84	56.45
Other non-current assets	5	72.84	26.88
Total non-current assets		3,625.63	3,723.62
<u>Current assets</u>			
Inventories	6	1,804.02	2,177.37
Financial assets			
Trade receivables	7.1	463.46	1,078.72
Cash and cash equivalents	7.2	870.14	543.07
Bank balances other than cash and cash equivalents	7.3	463.60	17.38
Loans	7.4	7.36	12.50
Other financial assets	7.5	235.67	230.81
Current tax assets (Net)	8	39.76	38.88
Other current assets	9	210.33	227.95
Total current assets		4,094.34	4,326.68
Assets classified as held for sale	10	70.74	85.10
<b>Total assets</b>		<b>7,790.71</b>	<b>8,135.40</b>
<b>EQUITY AND LIABILITIES</b>			
<u>Equity</u>			
Equity share capital	11	31.35	31.35
Other equity	12	4616.79	4,018.39
Equity attributable to shareholders of the Company		4,648.14	4,049.74
Non-controlling interest-		-	6.14
Total Equity		4,648.14	4,055.88
<u>Liabilities</u>			
<u>Non-current liabilities</u>			
Financial Liabilities			
Borrowings	13.1	1,012.49	974.92
Other financial liabilities	13.2	52.07	98.75
Provisions	14	244.72	242.49
Deferred tax liabilities (Net)	4	3.60	-
Other non-current liabilities	15	10.13	17.94
Total non-current liabilities		1,323.01	1,334.10
Current liabilities			
Financial Liabilities			
Borrowings	16.1	275.22	1,071.35
Trade payables	16.2		
- total outstanding dues of micro enterprises and small enterprises		28.07	13.14
- total outstanding dues of creditors other than micro enterprises and small enterprises		673.91	913.91
Other financial liabilities	16.3	338.24	305.66
Provisions	17	58.78	51.55
Other current liabilities	18	426.29	375.34
Current tax liabilities (Net)	8	-	0.15
Total current liabilities		1,800.51	2,731.10
Liabilities associated with assets classified as held for sale		19.05	14.32
<b>Total equity and liabilities</b>		<b>7,790.71</b>	<b>8,135.40</b>

The accompanying notes form an integral part of the consolidated financial statements

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

For and on behalf of the Board of Directors

Harinderjit Singh

Partner

Membership No. 086994

Place: Gurugram

Date: May 4, 2021

Sameet Gambhir

Company Secretary

Place: New Delhi

Amit Agarwal

Chief Financial Officer

Place: New Delhi

Pradeep Dinodia

Director

DIN: 00027995

Place: New Delhi

Ajay S. Shriram

Chairman & Sr. Managing Director

DIN: 00027137

Place: New Delhi

## Statement of Consolidated Profit and Loss For The Year Ended March 31, 2021

	Note	Year ended March 31, 2021 Rs. Crores	Year ended March 31, 2020 Rs. Crores
Revenue from operations	19	8,308.16	7,767.13
Other income	20	92.07	102.42
Total income		8,400.23	7,869.55
Expenses			
Cost of materials consumed		3,344.73	3,307.14
Purchases of stock-in-trade		809.84	730.32
Change in inventories of finished goods, stock-in-trade and work-in-progress	21	371.04	(222.27)
Employee benefits expense	22	732.65	735.69
Finance costs	23	122.00	163.84
Depreciation and amortisation expense	24	233.11	219.02
Other expenses	25	1,897.69	2,023.80
Total Expenses		7,511.06	6,957.54
Profit before exceptional item and tax		889.17	912.01
Exceptional item: Loss/Provision for loss on sale of foreign subsidiaries	55	-	14.76
Profit before tax		889.17	897.25
Tax expense			
- Current tax	26	174.28	116.92
- Deferred tax		40.99	69.74
- Tax adjustments related to earlier years		1.64	(8.83)
Total tax expense		216.91	177.83
Profit after tax		672.26	719.42
Share of Profit of Joint Venture (net of tax)		1.73	2.78
Non controlling interest		(0.71)	(5.49)
Net Profit attributable to equity shareholders of the Company		673.28	716.71
Other Comprehensive Income			
(i) Items that will not be re-classified to profit or loss			
- Remeasurements of defined benefit obligation	32 (ii)	7.04	(13.10)
- Changes in fair value of equity instruments through other comprehensive income		0.90	(4.77)
Income tax relating to items that will not be re-classified to profit or loss		(2.41)	5.42
- Share of other comprehensive income in joint venture (net of tax)		0.02	(0.10)
(ii) Items that may be re-classified to profit or loss			
- Effective portion of gain and loss on designated portion of hedging instruments in a cash flow hedge		3.62	(4.23)
- Exchange differences in translating the financial statements of foreign operations		(3.42)	3.19
Income tax relating to items that may be re-classified to profit or loss		(1.27)	1.48
- Share of other comprehensive income in joint venture (net of tax)		(0.09)	0.13
Total Other comprehensive income (net of tax)		4.39	(11.98)
Total Comprehensive income		678.38	710.22
Attributable to:			
- Owners of the Company		677.67	704.73
- Non-controlling interest		0.71	5.49
Earnings per equity share-basic/diluted (Rs.) (face value Rs 2 per share)	27		
- Before exceptional item		43.17	46.91
- After exceptional item		43.17	45.96

The accompanying notes form an integral part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

Harinderjit Singh  
Partner  
Membership No. 086994  
Place: Gurugram  
Date: May 4, 2021

Sameet Gambhir  
Company Secretary  
Place: New Delhi

Amit Agarwal  
Chief Financial Officer  
Place: New Delhi

Pradeep Dinodia  
Director  
DIN: 00027995  
Place: New Delhi

Ajay S. Shriram  
Chairman & Sr. Managing Director  
DIN: 00027137  
Place: New Delhi



## Statement of Consolidated Changes In Equity For The Year Ended March 31, 2021

	Other Equity												Total Other Equity	Non-controlling interest	Total
	Reserves and Surplus								Other comprehensive income						
	Equity Share Capital	Securities premium	Capital redemption reserve	Storage fund for molasses account	General Reserve	Surplus in Statement of profit and loss	Statutory Reserve	Capital Reserve	Shares held by Trust under ESPS Scheme	Cash flow hedging reserve	Equity instruments through other comprehensive income	Exchange differences on translating the financial statements of foreign operations			
As at April 1, 2019	31.35	2.31	10.40	1.04	613.38	2,822.78	0.85	37.62	(7.47)	(0.44)	2.49	11.37	3,494.33	0.65	3,526.33
Profit for the year	-	-	-	-	-	716.71	-	-	-	-	-	-	716.71	5.49	722.20
Fair value movements of equity instruments through other comprehensive income	-	-	-	-	-	-	-	-	-	-	(4.77)	-	(4.77)	-	(4.77)
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	3.19	3.19	-	3.19
Movements related to employees stock purchase scheme	-	-	-	-	1.71	-	-	-	-	-	-	-	1.71	-	1.71
Dividend on shares held by ESPS trust	-	-	-	-	-	1.62	-	-	-	-	-	-	1.62	-	1.62
Dividend on equity shares (Rs 9 per equity share)	-	-	-	-	-	(152.83)	-	-	-	-	-	-	(152.83)	-	(152.83)
Corporate dividend tax	-	-	-	-	-	(31.41)	-	-	-	-	-	-	(31.41)	-	(31.41)
Shares granted to employees under ESPS	-	-	-	-	-	-	-	-	0.24	-	-	-	0.24	-	0.24
Transfer to/(from) storage fund for molasses	-	-	-	0.36	-	(0.36)	-	-	-	-	-	-	-	-	-
Transfer to/(from) from statutory reserve	-	-	-	-	-	(0.53)	0.53	-	-	-	-	-	-	-	-
Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	(7.78)	-	-	-	-	-	-	(7.78)	-	(7.78)
Effective portion of gain and losses on designated portion of hedging instruments in a cash flow hedge (net of tax)	-	-	-	-	-	-	-	-	-	(2.62)	-	-	(2.62)	-	(2.62)
As at March 31, 2020	31.35	2.31	10.40	1.40	615.09	3,348.20	1.38	37.62	(7.23)	(3.06)	(2.28)	14.56	4,018.39	6.14	4,055.88
Profit for the year	-	-	-	-	-	673.28	-	-	-	-	-	-	673.28	(3.57)	669.71
Fair value movements of equity instruments through other comprehensive income	-	-	-	-	-	-	-	-	-	-	0.90	-	0.90	-	0.90
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	2.57	-	-	-	-	-	(3.42)	(0.85)	(2.57)	(3.42)
Movements related to employees stock purchase scheme	-	-	-	-	1.74	-	-	-	-	-	-	-	1.74	-	1.74
Dividend on shares held by ESPS trust	-	-	-	-	-	0.86	-	-	-	-	-	-	0.86	-	0.86
Dividend on equity shares (Rs 5.50 per equity share)	-	-	-	-	-	(85.77)	-	-	-	-	-	-	(85.77)	-	(85.77)
Shares granted to employees under ESPS	-	-	-	-	-	-	-	-	1.33	-	-	-	1.33	-	1.33
Transfer to/(from) storage fund for molasses	-	-	-	0.56	-	(0.56)	-	-	-	-	-	-	-	-	-
Transfer to/(from) from statutory reserve	-	-	-	-	-	(0.14)	0.14	-	-	-	-	-	-	-	-
Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	4.65	-	-	-	-	-	-	4.65	-	4.65
Effective portion of gain and losses on designated portion of hedging instruments in a cash flow hedge (net of tax)	-	-	-	-	-	-	-	-	-	2.26	-	-	2.26	-	2.26
As at March 31, 2021	31.35	2.31	10.40	1.96	616.83	3,943.09	1.52	37.62	(5.90)	(0.80)	(1.38)	11.14	4,616.79	-	4,648.14

The accompanying notes form an integral part of the consolidated financial statements

In terms of our report attached  
For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants

For and on behalf of the Board of Directors

Harinderjit Singh  
Partner  
Membership No. 086994  
Place: Gurugram  
Date: May 4, 2021

Sameet Gambhir  
Company Secretary  
Place: New Delhi

Amit Agarwal  
Chief Financial Officer  
Place: New Delhi

Pradeep Dinodia  
Director  
DIN: 00027995  
Place: New Delhi

Ajay S. Shriram  
Chairman & Sr. Managing Director  
DIN: 00027137  
Place: New Delhi

## Consolidated Cash Flow Statement For The Year Ended March 31, 2021

	Year ended March 31, 2021 Rs. Crores	Year ended March 31, 2020 Rs. Crores
<b>A. Cash flow from operating activities</b>		
Net profit after tax	672.26	719.42
Adjustments for :		
Income tax expense recognized in profit or loss	216.91	177.83
Exceptional item: Loss/Provision for loss on sale of foreign subsidiaries	-	14.76
Depreciation and amortization expense	233.11	219.02
Net gain on financial assets and liquid investments	(14.43)	(29.36)
(Profit) / Loss on sale of property, plant and equipment (including assets held for sale)	(3.48)	15.16
Provision/(write back) for credit impaired receivables (net)	5.34	(21.98)
Provision for credit impaired loans and advances (net)	3.68	3.85
Provision for credit impaired other financial assets (net)	28.95	-
Provision/(reversal) for impairment in value of assets (including assets held for sale)	(5.05)	18.82
Finance cost	122.00	163.84
Dividend and Interest income	(28.20)	(14.14)
Operating profit before working capital changes	1,231.09	1,267.22
Changes in operating assets and liabilities:		
Decrease/(Increase) in Trade receivables	606.09	(19.23)
Decrease/(Increase) in Loans and advances	1.84	(8.15)
(Increase) in Other financial assets	(17.60)	(115.22)
Decrease/(Increase) in Inventories	365.12	(275.24)
Decrease in Other current/non-current assets	17.27	12.29
(Decrease) in Trade payables	(224.00)	(209.15)
Increase in Provisions	17.06	26.18
Increase/(Decrease) in Other financial liabilities	7.85	(4.09)
Increase/(Decrease) in Other current/non-current liabilities	43.14	(14.76)
Cash generated from operations	2,047.86	659.85
Income taxes paid (net of refunds)	(161.05)	(163.56)
Net cash from operating activities	1,886.81	496.29
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (Includes borrowing cost capitalised Rs 2.60 crores; 2019-20 - Rs 21.46 crores)	(251.44)	(593.46)
Purchase of other intangible assets	(2.38)	(11.75)
(Increase)/Decrease in Bank deposits and current account balances with banks (Earmarked for unpaid dividend, margin money and deposit with banks for specific purpose)	(0.14)	8.96
(Increase) in Callable bank deposits (having original maturity more than 3 months)	(446.08)	-
Sale of property, plant and equipment	8.91	7.29
Proceeds from asset held for sale	24.59	21.65
Interest received	17.51	13.51
Profit on sale of investments	6.23	31.33
Proceeds from sale of subsidiaries	0.58	4.31
Net cash used in investing activities	(642.22)	(518.16)
<b>C. Cash flow from financing activities</b>		
Proceeds/(Repayment) from/of long term borrowings	112.90	(6.48)
Proceeds/(Repayment) from/of Short term borrowings	(795.85)	708.41
(Repayment) of loans repayable on demand from banks	(0.28)	(174.93)
Dividends paid	(85.77)	(152.83)
Corporate dividend tax paid	-	(31.41)
Principal payment of lease liabilities (refer note 34)	(14.31)	(15.11)
Interest paid on lease liabilities (refer note 34)	(8.20)	(9.49)
Finance cost paid	(126.01)	(135.26)
Net cash from financing activities	(917.52)	182.90
Net increase in cash and cash equivalents	327.07	161.03
Cash and cash equivalents at the beginning of the year	543.07	382.04
Cash and cash equivalents at the end of the year (excluding callable bank deposits)	870.14	543.07
Note: Cash flow statements are prepared in accordance with 'indirect method' as per IndAS 7 - 'Statement of Cash Flows'		
Reconciliation of cash and cash equivalents as per the Cash flow statement		
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents (refer note 7.2)	870.14	543.07
Balances as per statement of cash flows	870.14	543.07

The accompanying notes form an integral part of the above cash flow statement

In terms of our report attached  
For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants

For and on behalf of the Board of Directors

Harinderjit Singh  
Partner  
Membership No. 086994  
Place: Gurugram  
Date: May 4, 2021

Sameet Gambhir  
Company Secretary  
Place: New Delhi

Amit Agarwal  
Chief Financial Officer  
Place: New Delhi

Pradeep Dinodia  
Director  
DIN: 00027995  
Place: New Delhi

Ajay S. Shriram  
Chairman & Sr. Managing Director  
DIN: 00027137  
Place: New Delhi

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

## 1.1 Group Overview

DCM Shriram Limited ('the Company') is a public limited company incorporated in India. The Holding company, Sumant Investments Private Limited owns 63.03% of equity share capital of the Company. The registered office of the Company is at 2nd Floor (West Wing), World Mark 1, Aerocity, New Delhi – 110037, India.

The consolidated financial statements have been approved by Board of Directors in their board meeting dated May 4, 2021.

DCM Shriram Limited together with its subsidiaries is hereinafter referred to as "Group".

For information in respect of subsidiaries and joint venture, refer note 57.

The business portfolio of the Group comprises of:

- a. Chloro-Vinyl
- b. Sugar
- c. Shriram Farm Solutions
- d. Bioseed
- e. Fertilisers
- f. Others: (Fenesta, Cement and Hariyali Kisaan Bazaar)

The Group has presence in various parts of India and also in Philippines, and its principal place of businesses together with major products are as under:

### 1.2 Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared on an accrual basis

Business (Products)	Principal places
Chloro- Vinyl (Poly-vinyl chloride, carbide and chlor alkali)	Kota (Rajasthan) and Bharuch (Gujarat)
Sugar (Sugar, molasses, ethanol and power)	Ajbapur, Rupapur, Hariawan and Loni at Uttar Pradesh
Shriram Farm Solutions (Trading of agri inputs)	Distribution Network across India
Bioseed (Hybrid seeds)	Hyderabad and Philippines
Fertilisers (Urea)	Kota (Rajasthan)
Fenesta (UPVC windows and doors)	Kota and Bhiwadi (Rajasthan), Chennai (Tamilnadu), Hyderabad (Telengana)
Cement (Cement)	Kota (Rajasthan)
Hariyali Kisaan Bazaar (Fuel)	Fuel outlets at various parts of India

under historical cost convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ("The Act") and other relevant provisions of the Act, as applicable.

### 1.3 Principles of consolidation

The Consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company

('The Group'). The Company controls an entity when the Company is exposed to, or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

The financial statements of subsidiaries namely DCM Shriram Foundation and Shridhar Shriram Foundation, incorporated under Section 8 of the Companies Act, 2013 are not considered for consolidation since the objective of control in these companies is not to obtain economic benefits from its activities.

Consolidation of the subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary and gain/(loss) on sale of subsidiary is recognized in the profit and loss account.

- a) The consolidated financial statements have been prepared on the following basis:
  - The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income, expense, each component of other comprehensive income and cash flows, after fully eliminating intra-group balances, intra-group transactions and unrealized profit or losses on intra group transactions including tax adjustment thereon.
  - Interest in joint venture is accounted for using the equity method. Accordingly, the investment is initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profit or losses of the investee in profit and loss, and Company's share of other comprehensive income of the investee in other comprehensive income.
  - The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
  - Non-controlling interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the date of investments.
  - In respect of acquisitions prior to April 1, 2015, the excess of the cost of the Company of its investments in subsidiary company over the Company's portion of the equity of the subsidiary at the date on which investments were made is recognized in the consolidated financial statements as goodwill and is tested for impairment at the end of the reporting period. However, where the share of equity in the subsidiary company as on the date of investment is in excess of cost of investments, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- b) The Companies considered for Consolidated Financial Statements are given in note 57.

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

## 1.4 Significant accounting policies

### a) Property, Plant and Equipment

#### Owned Assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost of acquisition or construction is inclusive of freight, duties, taxes, other directly attributable incidental expenses and gains or losses on effective portion of cash flow hedges related to purchase in foreign currency and interest on loans attributable to the acquisition or construction of assets up to the date of commissioning of assets.

On the date of transition to Ind AS i.e. April 1, 2015, the Group has opted to measure all of its property, plant and equipment at their previous Generally Accepted Accounting Principles net carrying value and use that net carrying value as its deemed cost.

The Group is following straight line method of depreciation in respect of buildings, plant and equipment and written down value method in respect of other assets.

Depreciation on all tangible assets is provided on the basis of estimated useful life and residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc., which coincides with the useful life as prescribed under Schedule II of the Companies Act 2013 except for certain items of Plant and Equipment.

#### (i) Estimated useful lives:

Asset	Useful life
Buildings:	
- Roads	3-10 years
- Other than Roads	30-60 years
Leasehold improvements	5-10 Years
Plant and equipment used in generation, transmission and distribution of power	25-40 years
Plant and equipment (other than used in generation, transmission and distribution of power)	3-40 years
Furniture and fixtures	8-10 Years
Office equipments	5 Years
Vehicles	8-10 Years

#### (ii) Estimated residual value:

Asset	Residual value
Certain electrical equipment	10%
Other assets	0-5%

Depreciation is calculated on a pro-rata basis from the date of additions, except in cases of assets costing up to Rs. 5000 each, where each asset is fully depreciated in the year of purchase. On assets sold, discarded etc. during the year, depreciation is provided up to the date of sale/discard.

### a) Intangible assets

Intangible assets (excluding goodwill on consolidation) are stated at cost less accumulated amortization and accumulated impairment loss, if any. Cost of acquisition is inclusive of duties, taxes, consultancy and other directly attributable incidental expenses.

On the date of transition to Ind AS i.e. April 1, 2015, the Group has opted to measure all of its intangible assets at their previous Generally Accepted Accounting Principles net carrying value and use that net carrying value as its deemed cost.

Amortization of intangibles is provided on straight line basis over its estimated useful lives as follows:

Technical know-how	10 years
Software	5 years

On assets sold, discarded etc. during the year, amortization is provided up to the date of sale/discard.

### c) Investment property

Investment property are stated at cost less accumulated depreciation and impairment loss, if any.

Cost of acquisition or construction is inclusive of duties, taxes and incidental expenses and interest on loans attributable to the acquisition/construction of properties up to the date of Commissioning.

On the date of transition to Ind AS i.e. April 1, 2015, the Group has opted to measure all of its investment properties at their previous Generally Accepted Accounting Principles net carrying value and use that net carrying value as its deemed cost.

The Group is following straight line method of depreciation in respect of buildings. Depreciation on buildings is provided on the basis of useful life and residual value estimated by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset etc. The estimated useful life of building is 58-60 years and estimated residual value is 5%.

### d) Assets held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount (cost less accumulated depreciation, if any) on the date of transfer to assets held for sale and fair value assessed on annual basis. Gain for any subsequent increase in fair value less cost to sale of an asset is recognised only upto the extent of cumulative impairment loss that has been recognized.

### e) Leases

#### Group as a lessee

The Group at the commencement date recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets in accordance with IndAS 116 'Leases'. The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs etc.

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

#### Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease income as and when due as per terms of agreements. The respective leased assets are included in the financial statements based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

#### Assets taken on Finance lease

Assets taken on finance lease are stated at the lower of the fair value of the lease assets or the present value of the minimum lease payments at the inception of the lease.

In respect of Assets taken on finance lease, when there is reasonable certainty that the Group will obtain ownership by the end of the lease term, depreciation is provided in accordance with the policy followed by the Group for owned assets.

#### f) Inventories

Inventories, other than By-products, are valued at lower of cost (determined on weighted average basis) and net realisable value. The bases for determining cost for different categories of inventory are as under:

Stores & spares, raw materials and stock-in-trade	Cost of purchases (including other cost incurred in bringing inventory to its present location and condition)
Work-in-Progress and finished goods	Direct Cost (including material, labour etc), conversion cost and appropriate share of overheads. The costs allocation between the joint products is carried out based on technical estimates

By-products are valued at estimated net realisable value

#### g) Revenue recognition

- 1) Sales are recognized, at values as per agreements, net of returns, trade discounts and volume discounts, if any, on transfer of significant risks and rewards of ownership/effective Control to the buyer, which coincides with dispatch/delivery/installation to

customers, as applicable. Sales include excise duty but exclude sales tax, value added tax and Goods and Service tax.

- ii) Under the retention pricing scheme, the Government of India reimburses to the fertilizer industry, the difference between the retention price based on the cost of production and selling price (as realized from the farmers) as fixed by the Government from time to time, in the form of subsidy. The effect of variation in input costs/expenses on retention price yet to be notified is accounted for by the Company as income for the year based on its ultimate collection with reasonable degree of certainty at the time of accrual.

#### h) Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity

Government grants are recognized where there is reasonable assurance that the Group will comply with the conditions attached to it and that the grants will be received.

Grants are presented as part of income in the statement of profit and loss; alternatively they are deducted in reporting the related expense.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on the prevailing market interest rates.

#### i) Employee benefits

##### (i) Defined contribution plans

Company's contribution paid/payable during the year to provident fund, superannuation fund and employees' state insurance corporation are recognized in the statement of profit and loss. For the Provident Fund Trust administered by the Company, it is liable to meet the shortfall, if any, in payment of interest at the rates declared by the Central Government, and such liability is recognized in the year of shortfall.

##### (ii) Defined benefit plans

The liability recognized in respect of gratuity is the present value of defined benefit obligation at the end of the reporting period less the fair value of plan assets, where applicable. The Company makes contribution to the LIC for Employees Gratuity Scheme in respect of employees of one of the division. The defined benefit obligation is calculated annually by actuary using the Projected Unit Credit Method. Re-measurement comprising actuarial gains and losses and return on plan assets (excluding net interest) are recognized in the other comprehensive income for the period in which they occur and is not reclassified to profit or loss.

##### (iii) Compensated absences

Provision for earned leave and medical leave is determined on an actuarial basis at the end of the year and is charged to the statement of profit and loss each year. Actuarial gains and losses are recognized in the statement of profit and loss for the period in which they occur.

##### (iv) Share based payments

Equity settled share based payments to employees under DCM

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

Shriram Employees Stock Purchase Scheme (ESPS) are measured at the Fair value (which equals to Market price less exercise price) of the equity instruments at grant date. Fair value determined at the grant date is expensed on a straight line basis over the vesting period.

**j) Foreign currency transactions**

The functional currency of the Company is Indian rupee. Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

Monetary items (i.e. receivables, payable, loans etc) denominated in foreign currency are reported using the closing exchange rate on each reporting date.

The exchange difference arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/reported in previous consolidated financial statements are recognized as income/expense in the period in which they arise except for exchange difference on foreign currency borrowings relating to asset under construction for future use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

The results and financial position of Group's foreign operations that have a functional currency different from the presentation currency (INR) are translated into the presentation currency as under:

- Assets and liabilities are translated at the closing exchange rate at the end of each reporting period
- Income and expenses are translated at average exchange rates, and
- All resulting exchange differences are recognized in other comprehensive income.

Exchange differences on monetary items receivable from or payable to subsidiaries having foreign operations for which settlement is neither planned nor likely to occur are recognized in other comprehensive income and are reclassified from equity to profit or loss on repayment of monetary items.

**k) Financial instruments**

**Initial Recognition:**

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

**Subsequent measurement:**

**A. Non-derivative financial instruments**

- (i) Financial assets carried at amortised cost :A financial asset is subsequently measured at amortised cost if it is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) Financial assets carried at fair value through other comprehensive income (FVTOCI)
 

The Company has made an irrevocable election for its investments which are classified as equity instruments (Other than

Investment in Subsidiaries and Joint Venture) to present the subsequent changes in fair value in other comprehensive income.

- (iii) Investment in subsidiaries and Joint Venture: Investment in subsidiaries and joint venture is carried at cost less impairment, if any.

- (iv) Financial assets carried at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

- (v) Financial liabilities: Financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

- B. Derivative financial instruments:** The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Company also holds swaps to mitigate interest rate risks. The counterparty for these contracts is generally a bank.

- (I) Cash flow hedge: The effective portion of changes in the fair value of the hedging instruments is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Such amounts are reclassified in to the statement of profit or loss when the related hedge items affect profit or loss except in respect of inventories and property, plant and equipment where such changes are adjusted to their cost.

Any ineffective portion of changes in the fair value of the derivative or if the hedging instrument no longer meets the criteria for hedge accounting, is recognized immediately in the statement of profit and loss.

- (ii) Fair Value Hedge: Changes in fair value of derivatives including forward exchange contracts that qualify as fair value hedge are recognized in profit or loss.

- (iii) Financial instruments at fair value through profit or loss: This category has derivative financial instruments which are not designated as hedges.

Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial instruments at fair value through profit or loss.

**Derecognition of financial instruments**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**l) Impairment**

- l) Financial assets

The Group recognizes loss allowances using the expected credit loss for the financial assets which are not measured at fair value through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit loss.

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

## ii) Non-financial assets:

### Tangible and intangible assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss. The Group review/assess at each reporting date if there is any indication that an asset may be impaired.

## m) Income taxes

The Income-tax expense is provided in accordance with the tax laws of countries where the Company and its subsidiaries operate. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income tax and deferred tax are measured on the basis of the tax rates and tax laws enacted or substantively enacted at the end of the reporting period and are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

## n) Provisions

Provisions for claims including litigations are recognised when the Group has a present obligation as a result of past events, in the year when it is established by way of orders of court or government notifications etc. that it is probable that an outflow of resources will be required to settle the obligations and the amount can be reasonably estimated. The provision including any subsequent adjustments are accounted for in the same expenditure line item to which the claim pertains.

## 1.5 Use of estimates

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of asset and liabilities, disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other sources of estimation uncertainty, besides impact of COVID-19, at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

i) Useful lives and residual value of property, plant and equipment, intangible assets and Investment Properties: Useful life and residual value are determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc and same is reviewed at each financial year end.

ii) Leases: The Group determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives.

The discount rate is generally based on the incremental borrowing rate. To determine the incremental borrowing rate, the Group uses recent third-party financing received by the Company, adjusted to lease term etc, specific to the lease being evaluated.

iii) Impairment of investments: The Company reviews the carrying value of long term investments in equity/preference shares of subsidiaries, joint venture and other companies carried at cost/amortized cost at the end of each reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

iv) Deferred tax assets: The Group reviews the carrying amount of deferred tax assets including Minimum alternate tax credit at the end of each reporting period and reduces 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.

v) Revenue:

a) Provision of Sales Returns, Warranties and Discounts: Provision for Sales Returns, Warranties and Discounts are estimated based on past experience, market conditions and announced schemes.

b) Claims from 'Fertiliser Industry Coordination Committee' (FICC), Government of India: The Company takes revenue credits for urea subsidy claims, which are pending notification/final acceptance by 'Fertiliser Industry Coordination Committee' (FICC), Government of India, in pursuance of the Retention Price Scheme administered for nitrogenous fertilisers, when as per judgment of the Company, there is reasonable certainty based on Policy and past experience that claims will be notified in due course (also refer note 29).

vi) Provision for gratuity and compensated absences: The provision for gratuity and compensated absences are based on actuarial valuation using the projected unit credit method. The Group uses actuarial assumptions to determine the obligation for employee benefit at each reporting period. These assumptions include the discount rate, salary escalation and employee turnover rate.

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

## 2.1 Property, plant and equipment

Rs. Crores

	Freehold Land	Buildings	Leasehold Improvements	Plant and Equipments	Furniture and Fixtures	Office Equipments	Right of use asset - Land	Right of use asset - Building	Vehicles	Vehicle on finance lease	Total
<b>Gross Carrying amount</b>											
Balance at April 1, 2019	67.10	349.72	8.07	2,442.10	9.07	18.38	15.05	122.86	63.84	1.21	3,097.40
Additions	1.03	80.93	-	773.77	3.50	6.78	-	30.33	16.51	0.29	913.14
Disposals	-	(1.15)	(0.02)	(30.59)	(0.24)	(0.61)	-	(1.74)	(9.00)	-	(43.35)
Transferred to asset held for sale	-	-	-	(11.13)	-	-	-	-	-	-	(11.13)
Exchange differences	-	(0.05)	-	(0.05)	(0.04)	(0.02)	-	-	(0.04)	-	(0.20)
Balance at March 31, 2020	68.13	429.45	8.05	3,174.10	12.29	24.53	15.05	151.45	71.31	1.50	3,955.86
Additions	3.08	29.62	-	100.01	1.37	4.03	-	3.69	2.68	0.64	145.12
Disposals	(0.19)	(4.52)	(0.97)	(19.38)	(1.30)	(2.25)	-	(54.81)	(7.29)	-	(90.71)
Transferred from asset held for sale(refer foot note 6 below)	0.41	4.83	-	-	-	-	-	-	-	-	5.24
Transferred from investment property(refer note 2.2)	1.20	5.34	-	-	-	-	-	-	-	-	6.54
Exchange differences	-	0.03	-	0.02	0.01	0.01	-	-	0.02	-	0.09
Balance as at March 31, 2021	72.63	464.75	7.08	3,254.75	12.37	26.32	15.05	100.33	66.72	2.14	4,022.14
<b>Accumulated Depreciation</b>											
Balance at April 1, 2019	-	41.01	3.91	282.98	5.02	10.51	-	-	29.84	0.36	373.63
Depreciation charge for the year	-	15.12	1.16	152.87	1.49	4.75	0.51	21.06	12.39	0.07	209.42
Disposals	-	(0.12)	(0.02)	(9.92)	(0.21)	(0.54)	-	(0.59)	(6.32)	-	(17.72)
Transferred to asset held for sale	-	-	-	(1.15)	-	-	-	-	-	-	(1.15)
Exchange differences	-	-	-	(0.45)	(0.06)	(0.17)	-	-	(0.04)	-	(0.72)
Balance at March 31, 2020	-	56.01	5.05	424.33	6.24	14.55	0.51	20.47	35.87	0.43	563.46
Depreciation charge for the year	-	17.91	0.69	165.99	1.61	4.84	0.34	20.77	10.84	0.24	223.23
Disposals	-	(2.00)	(0.97)	(14.31)	(1.08)	(1.71)	-	(7.01)	(5.16)	-	(32.24)
Transferred from investment property(refer note 2.2)	-	0.61	-	-	-	-	-	-	-	-	0.61
Exchange differences	-	-	-	0.07	0.02	0.04	-	-	0.01	-	0.14
Balance at March 31, 2021	-	72.53	4.77	576.08	6.79	17.72	0.85	34.23	41.56	0.67	520
<b>Net carrying amount</b>											
As at March 31, 2021	72.63	392.22	2.31	2,678.67	5.58	8.60	14.20	66.10	25.16	1.47	3,266.94
As at March 31, 2020	68.13	373.44	3.00	2,749.77	6.05	9.98	14.54	130.98	35.44	1.07	3,392.40
<b>Capital work in progress (refer note 49)</b>											
As at March 31, 2021	-	-	-	-	-	-	-	-	-	-	103.22
As at March 31, 2020	-	-	-	-	-	-	-	-	-	-	51.06

### Notes:

1. Refer note 39 for information on property, plant and equipment pledged as security
2. Refer note 23 for information on borrowing costs capitalised during the year
3. Refer note 28 (ii) for information on contractual commitments for acquisition of property, plant and equipment
4. Refer note 34(ii) for information on property, plant and equipment where the Company is a lessor under operating lease.
5. Freehold land includes Rs. 1.87 crores (March 31, 2020 - Rs 2.07 crores) pending registration in favour of the Company.
6. Pursuant to use for business operations during the year, these have been reclassified to Property, Plant and Equipment



# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

## 2.2 Investment property

	Freehold Land	Buildings	Total	Rs. Crores
<u>Gross Carrying amount</u>				
Balance as at April 1, 2019	1.71	5.57		7.28
Balance as at March 31, 2020	1.71	5.57		7.28
Transferred to Property, plant and equipment(refer note 2.1)	(1.20)	(5.34)		(6.54)
Balance as at March 31, 2021	0.51	0.23		0.74
<u>Accumulated Depreciation</u>				
Balance as at April 1, 2019		0.43		0.43
Depreciation charge for the year		0.11		0.11
Balance at March 31, 2020		0.54		0.54
Depreciation charge for the year		0.10		0.10
Transferred to Property, plant and equipment(refer note 2.1)		(0.61)		(0.61)
Balance at March 31, 2021		0.03		0.03
<u>Net carrying amount</u>				
As at March 31, 2021	0.51	0.20		0.71
As at March 31, 2020	1.71	5.03		6.74

Refer note 33 for other information relating to investment property

## 2.3 Intangible assets

	Technical Know how	Software	Total	Goodwill	Rs. Crores
<u>Gross carrying amount</u>					
Balance at April 1, 2019	0.52	49.81	50.33		74.78
Additions	3.79	2.21	6.00		-
Exchange differences	-	0.05	0.05		6.35
Balance at March 31, 2020	4.31	52.07	56.38		81.13
Additions	-	4.76	4.76		-
Disposals	(0.38)	(1.85)	(2.23)		-
Exchange differences	-	(0.09)	(0.09)		(2.44)
Balance as at March 31, 2021	3.93	54.89	58.82		78.69
<u>Accumulated amortization</u>					
Balance at April 1, 2019	0.52	27.64	28.16		-
Amortization for the year	0.10	9.39	9.49		-
Balance at March 31, 2020	0.62	37.03	37.65		-
Amortization for the year	0.36	9.42	9.78		-
Disposals	-	(1.78)	(1.78)		-
Balance as at March 31, 2021	0.98	44.67	45.65		-
<u>Net carrying amount</u>					
As at March 31, 2021	2.95	10.22	13.17		78.69
As at March 31, 2020	3.69	15.04	18.73		81.13
<u>Intangible assets under development</u>					
As at March 31, 2021			5.77		
As at March 31, 2020			8.06		

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

	As at March 31, 2021 Rs. Crores	As at March 31, 2020 Rs. Crores
<b>3 NON-CURRENT FINANCIAL ASSETS</b>		
3.1 Non-current investments		
(a) Investment in Joint Venture (using equity method of accounting)		
Unquoted		
17,32,500 (March 31, 2020: 17,32,500)	26.19	24.53
Equity shares of Shriram Axiall Private Limited of Rs. 10/- each fully paid up	<u>26.19</u>	<u>24.53</u>
(b) Other than Joint Venture		
(i) Investment in Equity Instruments		
- Subsidiaries (at cost)		
Unquoted		
10,000 (March 31, 2020: 10,000)		
Equity shares of DCM Shriram Foundation of Rs. 10/- each fully paid up	0.01	0.01
50,000 (March 31, 2020: 50,000)		
Equity shares of Shridhar Shriram Foundation of Rs. 10/- each fully paid up	<u>0.05</u>	<u>0.05</u>
	0.06	0.06
- Other than subsidiaries (at fair value through other comprehensive income)		
Quoted		
1,40,000 (March 31, 2020: 1,40,000)		
Equity shares of IFCI Limited of Rs.10/- each fully paid up	0.17	0.05
176,595 (March 31, 2020: 296,795)		
Equity shares of Bank of Baroda of Rs. 2/-each fully paid up	1.31	1.58
11,908 (March 31, 2020: 20,108)		
Equity shares of Gujarat State Petronet Limited of Rs. 10/- each fully paid up	0.33	0.35
17,150 (March 31, 2020: 17,150)		
Equity shares of Punjab National Bank of Rs. 2/- each fully paid up	0.06	0.06
89,350 (March 31, 2020: 89,350)		
Equity shares of Yes Bank Ltd of Rs 10/- each fully paid up	<u>0.14</u>	<u>0.20</u>
	2.01	2.24
Unquoted		
18,61,134 (March 31, 2020: 18,61,134)		
Equity shares of Narmada Clean Tech of Rs. 10/- each fully paid up	1.85	1.85
2,00,000 (March 31, 2020: 2,00,000)		
Equity shares of Ellenbarie Commercial Limited of Rs.10/- each fully paid up	1.50	1.50
Less : Provision for impairment in value of investment	<u>(1.50)</u>	<u>(1.50)</u>
	-	-
40,000 (March 31, 2020: 40,000)		
Equity shares of BMD Estate Private Limited of Rs.10/- each fully paid up	0.75	0.75
Less : Provision for impairment in value of investment	<u>(0.75)</u>	<u>(0.75)</u>
	-	-
	<u>1.85</u>	<u>1.85</u>



# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

	As at March 31, 2021 Rs. Crores	As at March 31, 2020 Rs. Crores
<b>4 Deferred tax assets / (liabilities) (Net)</b>		
[refer note 40(d)]		
Deferred tax assets:		
Minimum alternate tax (MAT) credit entitlement	392.41	397.66
Provision for gratuity and compensated absences	96.49	95.11
Provision for doubtful debts and advances	45.78	33.22
Others	11.48	30.12
	<u>546.16</u>	<u>556.11</u>
Deferred tax liabilities:		
Depreciation	548.92	499.66
	<u>548.92</u>	<u>499.66</u>
Net deferred tax assets - after set off	0.84	56.45
Net deferred (liabilities) - after set off	(3.60)	-
Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and liabilities relate to income tax levied by the same taxation authority		
<b>5 Other non-current assets</b>		
Capital advances	68.26	17.87
Prepaid expenses	0.80	1.22
Others (including amount deposited with Government authorities)	3.78	7.79
	<u>72.84</u>	<u>26.88</u>
<b>6 Inventories<sup>(i)</sup></b>		
Raw materials	243.38	195.02
(includes goods in transit - Rs 9.83 crores; March 31, 2020 - Rs 1.50 crores)		
Work-in-progress	176.38	66.53
Finished goods	1,115.14	1,599.62
(includes goods in transit Rs. 4.28 crores; March 31, 2020 - Rs. Nil)		
Stock-in-trade	85.62	94.09
(includes goods in transit - Rs 1.78 crores; March 31, 2020 - Rs Nil)		
Stores and spares	183.50	222.11
	<u>1,804.02</u>	<u>2,177.37</u>
(i) refer note 39		
<b>7 Financial Assets</b>		
<b>7.1 Trade receivables<sup>(i)</sup></b>		
Secured - considered good	2.05	2.41
Unsecured - considered good	461.41	1,076.31
Unsecured - considered credit impaired	66.54	69.92
	<u>530.00</u>	<u>1,148.64</u>
Less: Provision for credit impaired receivables	66.54	69.92
	<u>463.46</u>	<u>1,078.72</u>
(i) includes dues from related parties [(refer note 31(b))]		
<b>7.2 Cash and cash equivalents<sup>(i)</sup></b>		
Balances with banks on		
- current accounts	60.45	120.07
- deposit accounts (less than 3 months maturity)	50.00	361.00
Cash on hand	0.43	0.54
Liquid investments - mutual funds	759.26	61.46
	<u>870.14</u>	<u>543.07</u>
(i) comprises cash at bank and at hand, short term deposits and liquid mutual funds that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value		

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

	As at March 31, 2021 Rs. Crores	As at March 31, 2020 Rs. Crores
<b>7.3 Bank balances other than cash and cash equivalents</b>		
Balances with banks on		
- current accounts (earmarked) <sup>(i)</sup>	8.47	8.57
- deposit accounts (earmarked) <sup>(i)</sup>	9.05	8.81
- deposit accounts (more than 3 months but less than 12 months)	446.08	-
	<u>463.60</u>	<u>17.38</u>
(i) earmarked for unpaid dividend, margin money and deposit with banks for specific purpose		
<b>7.4 Loans</b>		
(Unsecured Considered good unless otherwise stated)		
Loan to employees	4.40	2.50
Loan to others	2.96	10.00
	<u>7.36</u>	<u>12.50</u>
<b>7.5 Other financial assets</b>		
Interest accrued on loans, investment, deposits etc	12.33	1.34
Other debts (includes claims from government authorities)		
Considered good	214.81	203.33
Considered doubtful	27.10	1.05
	<u>241.91</u>	<u>204.38</u>
Less: Provision for doubtful debts	27.10	1.05
	<u>214.81</u>	<u>203.33</u>
Security deposits	1.58	2.09
Considered good	1.85	-
Considered doubtful	3.43	2.09
Less: Provision for doubtful deposits	1.85	-
	<u>1.58</u>	<u>2.09</u>
Derivative designated as hedge:		
- Others (Foreign currency options)	6.95	9.92
- Forward exchange forward contracts	-	14.13
	<u>235.67</u>	<u>230.81</u>
<b>8 Current tax assets / (liabilities) (net)</b>		
Advance tax	824.06	668.45
Less: Provision for current tax	(784.30)	(629.72)
	<u>39.76</u>	<u>38.73</u>
Net current tax assets - after set off	39.76	38.88
Net current tax (liabilities) - after set off	-	(0.15)
Current tax assets and current tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities		
<b>9 Other current assets</b>		
(Unsecured Considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	112.94	160.38
Considered doubtful	14.10	11.63
	<u>127.04</u>	<u>172.01</u>
Less: Provision for doubtful advances	14.10	11.63
	<u>112.94</u>	<u>160.38</u>
Prepaid expenses	17.38	16.51
Balances with customs, excise etc.	19.05	25.35
Unbilled revenue	50.56	20.96
Others	10.40	4.75
	<u>210.33</u>	<u>227.95</u>

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

	As at March 31, 2021 Rs. Crores	As at March 31, 2020 Rs. Crores
<b>10. Assets classified as held for sale</b>		
Land and buildings	59.35	73.82
Plant and machinery	11.39	11.28
	<u>70.74</u>	<u>85.10</u>
Refer note 46 for other information relating to assets classified as held for sale.		
<b>11. Equity share capital</b>		
Authorised		
29,49,50,000 (March 31, 2020 - 29,49,50,000)	58.99	58.99
Equity shares of Rs.2 each with voting rights		
65,01,000 (March 31, 2020 - 65,01,000)	65.01	65.01
Cumulative redeemable preference shares of Rs. 100 each	<u>124.00</u>	<u>124.00</u>
Issued		
15,98,42,296 (March 31, 2020 - 15,98,42,296)		
Equity shares of Rs 2 each with voting rights	<u>31.97</u>	<u>31.97</u>
Subscribed and fully paid up		
15,59,42,296 (March 31, 2020 - 15,59,42,296)		
Equity shares of Rs. 2 each with voting rights, fully paid- up	31.19	31.19
Forfeited shares - Amount originally paid up		
	0.16	0.16
	<u>31.35</u>	<u>31.35</u>

Notes:

(i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period:

Subscribed and fully paid up Equity Shares:	<u>No. of shares</u>	<u>Value (Rs. Crores)</u>
As at April 1, 2019	15,59,42,296	31.19
As at March 31, 2020	15,59,42,296	31.19
As at March 31, 2021	15,59,42,296	31.19

Buy-back of shares

- The Company bought back and extinguished 64,73,841 equity shares of Rs 2 each during financial year 2018-19

(ii) Rights, preferences and restrictions on equity shares:

Voting rights and dividend shall be in the proportion to the capital paid upon equity shares. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to the capital paid upon equity share after distribution of all preferential amount.

	As at March 31, 2021		As at March 31, 2020	
	<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
(iii) Shares held by the holding company:				
Sumant Investments Private Limited	9,82,82,744	63.03%	9,82,82,284	63.02%
(iv) The shareholders holding more than 5% equity shares are as under:				
Sumant Investments Private Limited	9,82,82,744	63.03%	9,82,82,284	63.02%
Life Insurance Corporation of India	1,05,14,136	6.74%	1,05,14,136	6.74%

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

	As at March 31, 2021 Rs. Crores	As at March 31, 2020 Rs. Crores
<b>12. Other equity<sup>1</sup></b>		
12.1 General Reserve	616.83	615.09
12.2 Surplus in statement of profit and loss	3,943.09	3,348.20
12.3 Securities premium	2.31	2.31
12.4 Capital reserve	37.62	37.62
12.5 Capital redemption reserve	10.40	10.40
12.6 Storage fund for molasses account	1.96	1.40
12.7 Statutory reserve	1.52	1.38
12.8 Share held by trust under Employees Stock Purchase Scheme (ESPS) <sup>2</sup>	(5.90)	(7.23)
12.9 Other comprehensive income		
- Cash flow hedging reserve (refer note 44.4)	(0.80)	(3.06)
- Exchange difference on translating the financial statements of foreign operations	11.14	14.56
- Investments in equity instruments through OCI	(1.38)	(2.28)
	<u>4,616.79</u>	<u>4,018.39</u>
<p>1. Created under relevant Act/statutes. For movement during the year, refer 'Statement of changes in equity'.</p> <p>2. Share held by trust under ESPS represents cost of 12,77,924 (March 31, 2020 - 15,65,424) equity shares purchased and held by the Employee Benefit trust under ESPS scheme.</p>		
<b>NON-CURRENT LIABILITIES</b>		
<b>13 Financial liabilities</b>		
13.1 Long term borrowings (at amortized cost)		
Secured (refer note 39B)		
Debtentures	197.55	-
Term loans		
From banks	545.81	629.98
From others	257.17	316.48
	<u>1,000.53</u>	<u>946.46</u>
Unsecured		
Deposits		
Fixed	11.64	28.20
Finance lease liability	0.32	0.26
	<u>11.96</u>	<u>28.46</u>
	<u>1,012.49</u>	<u>974.92</u>
13.2 Other financial liabilities		
Interest accrued but not due on loans and deposits	0.28	0.26
Lease liability (refer note 34)	51.79	98.49
	<u>52.07</u>	<u>98.75</u>
<b>14 Long term provisions</b>		
Provision for employee benefits		
Gratuity (refer note 32)	128.35	132.61
Compensated absences	92.79	90.41
Other benefits	11.48	7.38
Provision for contingencies (refer note 35)	12.10	12.09
	<u>244.72</u>	<u>242.49</u>

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

	As at March 31, 2021 Rs. Crores	As at March 31, 2020 Rs. Crores
<b>15. Other non-current liabilities</b>		
Security deposits	0.01	0.64
Others	10.12	17.30
	<u>10.13</u>	<u>17.94</u>
<b>CURRENT LIABILITIES</b>		
<b>16 Financial Liabilities</b>		
<b>16.1 Short-term borrowings - at amortized cost</b>		
Secured (refer note 39B)		
Loans repayable on demand from banks	0.72	1.00
Other loans and advances from banks	199.50	763.37
	<u>200.22</u>	<u>764.37</u>
Unsecured		
Loans repayable on demand		
From others <sup>(i)</sup>	50.00	250.00
Other loans from banks	25.00	56.98
	<u>75.00</u>	<u>306.98</u>
	<u>275.22</u>	<u>1,071.35</u>
(i) represents commercial papers		
<b>16.2 Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 47)	28.07	13.14
Total outstanding dues of creditors other than micro enterprises and small enterprises	673.91	913.91
	<u>701.98</u>	<u>927.05</u>
<b>16.3 Other financial liabilities</b>		
Current maturities of long-term debt (Secured) [refer note 39B]		
From banks	84.58	58.32
From others	54.58	38.99
Current maturities of long-term debt (Unsecured)		
From others	24.65	6.54
Current maturities of finance lease obligations	0.13	0.11
Interest accrued but not due on borrowings	5.56	17.79
Unpaid dividends	8.54	8.38
Unpaid matured deposits and interest accrued thereon	0.03	0.04
Employee dues payable <sup>(i)</sup>	40.85	32.85
Security deposits	41.89	42.50
Others liabilities	56.97	63.45
(includes capital creditors Rs 27.86 crores; March 31, 2020 - Rs 35.37 crores)		
Lease liability (refer note 34)	17.29	31.53
Derivative designated as hedge:		
- Foreign exchange forward contracts	1.85	-
- Interest rate swaps	1.32	5.16
	<u>338.24</u>	<u>305.66</u>
(i) includes dues to related parties [(refer note 31(b))]		
<b>17 Short term provisions</b>		
Provision for employee benefits		
Gratuity	28.51	24.51
Compensated absences	28.62	26.04
Other benefits	1.35	0.69
Contingent provision for standard assets	0.30	0.31
	<u>58.78</u>	<u>51.55</u>
<b>18 Other current liabilities</b>		
Statutory levies	166.01	149.02
Advances received from customers	256.55	215.63
Other current liabilities	3.73	10.69
	<u>426.29</u>	<u>375.34</u>



# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

	Year ended March 31, 2021 Rs. Crores	Year ended March 31, 2020 Rs. Crores
<b>19. Revenue from operations</b>		
Revenue from sale of products		
Sale of Products <sup>(i)</sup>	8,575.39	7,977.37
Less: Discounts	301.50	288.04
	<u>8,273.89</u>	<u>7,689.33</u>
Other operating revenue		
Rent	0.31	0.32
Liabilities / provisions no longer required written back (refer note 29)	5.15	45.90
Interest income	0.57	0.47
Miscellaneous income (includes scrap sales)	28.24	31.11
	<u>34.27</u>	<u>77.80</u>
Revenue from Operations	<u>8,308.16</u>	<u>7,767.13</u>
<b>(i) Notes:</b>		
- includes Rs 174.34 crs against advance received from customers balance as at April 1, 2020 (2019-20 - Rs 168.47 crores)		
- Includes Rs 19.82 crores on account of differential urea subsidy claims notified for earlier periods by 'Fertiliser Industry Coordination Committee (FICC), Government of India, in pursuance of the Retention Price Scheme administered for nitrogenous fertilisers (2019-20 - Rs Nil)		
- The Company does not have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. Accordingly, the Company has not adjusted transaction prices for the time value of money.		
<b>20 Other income</b>		
Interest income	28.19	14.12
Dividend income on investments measured at fair value through other comprehensive income	0.01	0.02
Rent [refer note 34 (ii)]	1.56	5.64
Miscellaneous income (refer note 48)	44.40	68.44
Other gains/(losses):		
- net gain/(loss) of financial assets mandatorily measured at fair value through profit or loss	8.20	(1.97)
- net gain on sale of liquid investments	6.23	31.33
- net gain/(loss) on sale of property, plant and equipment (including assets held for sale)	3.48	(15.16)
	<u>92.07</u>	<u>102.42</u>
<b>21 Change in inventories of finished goods, stock-in-trade and work-in-progress (refer note 6)</b>		
Closing stock	1,377.14	1,760.24
Add: Provision for sales return	9.17	4.30
Less: Translation difference transferred to foreign currency translation reserve	1.23	0.71
Adjusted Closing stock	<u>1,385.08</u>	<u>1,763.83</u>
Opening stock	1,763.83	1,541.56
Less: Stock transferred pursuant to sale of subsidiaries (refer note 55)	(7.71)	-
Adjusted opening stock	<u>1,756.12</u>	<u>1,541.56</u>
Decrease/(increase) in inventories	<u>371.04</u>	<u>(222.27)</u>
<b>22 Employee benefits expense</b>		
Salaries, wages, bonus, gratuity, commission, etc. <sup>(i)</sup>	658.04	660.88
Expense on Employee stock purchase scheme <sup>(ii)</sup>	3.07	2.44
Contribution to provident and other funds <sup>(i)</sup>	41.19	38.98
Staff welfare expenses	30.35	33.39
	<u>732.65</u>	<u>735.69</u>
(i) refer note 32		
(ii) refer note 38		

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

	Note	Year ended March 31, 2021 Rs. Crores	Year ended March 31, 2020 Rs. Crores
<b>23 Finance costs</b>			
Interest expense on financial liabilities measured at amortized cost		100.79	163.58
Other borrowing costs		4.22	3.49
Net loss on foreign currency transactions and translation		19.59	18.23
		<u>124.60</u>	<u>185.30</u>
Less: Amount included in the cost of qualifying assets <sup>1</sup>		<u>2.60</u>	<u>21.46</u>
		<u>122.00</u>	<u>163.84</u>
1 Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization is 5.86% p.a. (2019-20: 7.10% p.a.)			
<b>24 Depreciation and amortization expense</b>			
Depreciation of property, plant and equipment	2.1	202.12	187.85
Depreciation of right of use assets (refer note 34)	2.1	21.11	21.57
Depreciation of investment property	2.2	0.10	0.11
Amortization of intangible assets	2.3	9.78	9.49
		<u>233.11</u>	<u>219.02</u>
<b>25 Other expenses</b>			
Consumption of stores and spare parts		278.13	281.62
Power, fuel etc. <sup>1</sup>		900.48	1,056.45
Rent (refer note 34)		15.46	17.12
Repairs			
Buildings		19.23	22.18
Plant and machinery		66.01	71.55
Donation <sup>2</sup>		1.65	10.88
Insurance		22.26	14.74
Rates and taxes		4.19	3.34
Auditors' remuneration			
Audit fee		1.29	1.41
Tax audit		0.21	0.27
Limited reviews		0.58	0.58
Other certification services		0.54	0.53
Out-of-pocket expenses		0.08	0.13
Directors' fees		0.71	0.62
Bad debts and advances written off	1.03		0.01
Less: adjusted against provision for doubtful debts and advances	(0.01)	1.02	(0.01)
		<u>0.73</u>	<u>-</u>
Provision for impairment in value of investments		5.34	15.41
Provision for credit impaired receivables		32.63	3.85
Provision for credit impaired loans and advances, other debts and deposits		257.06	198.75
Freight and transport		22.42	7.83
Commission to selling agents		0.04	0.01
Brokerage, discounts (other than trade discounts), etc.		88.02	86.34
Selling expenses		(5.03)	(0.34)
Exchange fluctuation costs		19.61	19.17
Royalty		(5.05)	5.60
Loss/(gain) on valuation of assets held for sale		-	13.22
Provision for impairment in value of assets <sup>3</sup>		20.11	18.44
Corporate Social Responsibility <sup>4</sup>		151.60	179.96
Miscellaneous expenses		<u>1,899.32</u>	<u>2,029.66</u>
Less:- Cost of own manufactured goods capitalised/consumed		<u>(1.63)</u>	<u>(5.86)</u>
		<u>1,897.69</u>	<u>2,023.80</u>

1 includes reversal of coal provision created in earlier years amounting to Rs 22.25 crores (previous year: Rs 23.19 crores (net) with respect to renewable energy purchase obligation at one of its units pursuant to resolution of legal cases in the matter)

2 refer note 51

3 in respect of amount capitalised under CWIP for Chatru Hydro power project in one of its subsidiaries pursuant to cancellation of the project by Government of Himachal Pradesh during the financial year ended March 31, 2020

4 refer note 36

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

	Year ended March 31, 2021 Rs. Crores		Year ended March 31, 2020 Rs. Crores	
<b>26 Tax expense</b>				
Current tax	174.28		159.93	
Less:- MAT credit entitlement *	-	174.28	(43.01)	116.92
Deferred Tax		40.99		69.74
Tax adjustments related to earlier years *				
- Current tax	(7.65)		(11.32)	
- Deferred tax	9.29	1.64	2.49	(8.83)
		216.91		177.83
* refer note 40 (d)				

## 27 Earnings per share

Profits for the year attributable to equity holders of the Company (Rs. Crores)	673.28	716.71
Weighted average number of equity shares (Nos.)	15,59,42,296	15,59,42,296
Basic and Diluted earnings per share (face value Rs 2 per share)		
- Before exceptional item	43.17	46.91
- After exceptional item	43.17	45.96

Rs. Crores

	As at March 31, 2021 Rs. Crores	As at March 31, 2020 Rs. Crores
<b>28. (i) Contingent liabilities not provided for:</b>		
(a) Claims (excluding claims by employees where amount not ascertainable) not acknowledged as debts:		
- Sales tax matters	0.04	0.46
- Additional premium on land	8.11	8.11
- Interest on cane purchases	64.01	49.90
- Others	5.63	5.63
<b>Total</b>	<b>77.79</b>	<b>64.10</b>

(b) The Company will continue to assess the impact of further developments relating to retrospective application of Supreme Court judgement dated February 28, 2019 clarifying the definition of 'basic wages' under Employees' Provident Fund and Miscellaneous Provisions Act 1952 and deal with it appropriately accordingly.

(ii) Capital commitments (net of advances) 265.48 242.01

**29** In accordance with its accounting policy and past practice, the Company accrues revenue credits for urea subsidy claims pending notification/ final acceptance by 'Fertiliser Industry Coordination Committee' (FICC), Government of India, in pursuance of the Pricing Scheme administered for nitrogenous fertilisers. The total amount receivable on account of such claims as on March 31, 2021 is Rs 8.15 crores (Rs 126.11 crores on March 31, 2020). This includes Rs Nil (2019-20 - Rs 37.95 crores) being reversal of the provision for doubtful claims consequent to removal of ambiguities in the Modified NPS III by the Government of India during the previous year.

Necessary adjustments to revenue credits so accrued will be made on issuance of notification by FICC, Government of India.

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

## 30 Segment reporting

### A. Operating segments and principal activities:

Based on the guiding principles given in Ind AS- 108 'Operating segments', the Group's operating segments, based on products include: Fertilisers (manufacturing of urea), Chloro-Vinyl (manufacturing of poly-vinyl chloride, carbide and chlor alkali products), Shriram Farm solutions (trading of super phosphate, other fertilisers, seeds and pesticides), Sugar (manufacturing of sugar, ethanol, co-generation of Power and distillery), Bioseed (production of hybrid seeds), Others (UPVC window systems, Cement, Rural retail and plaster of paris). Sale of power from the co-generation facilities set up for the operating segments is included in their respective results.

### B. Geographical segments:

Since the Group's activities/ operations are primarily within the country and considering the nature of products/ services it deals in, the risks and returns are same and as such there is only one geographical segment.

### C. Segment accounting policies:

In addition to the significant accounting policies applicable to the operating segments as set out in note 1.4, the accounting policies in relation to segment accounting are as under:

#### (i) Segment revenue and expenses:

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

#### ii) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables (net of allowances and provision), inventories and property, plant and equipments, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of trade payables. Segment assets and liabilities do not include deferred income taxes. While most of the assets/ liabilities can be directly attributed to individual segment, the carrying amount of certain assets/ liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

#### iii) Inter segment sales:

Inter segment sales between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

### D. Revenue from major products:

Revenue from major products is given in note 58

### E. Geographical information:

(i) Revenue from external customers: The Group's revenue from external customers by location of operation are as under:

Particulars	Rs. Crores	
	This year	Previous year
- Within India	8,045.88	7,501.96
- Outside India	228.01	187.37
Total	8,273.89	7,689.33

(ii) Non-current assets other than financial instruments and deferred tax assets:

Particulars	Rs. Crores	
	March 31, 2021	March 31, 2020
- Within India	3,385.54	3,519.40
- Outside India	82.96	87.37
Total	3,468.50	3,606.77

### F. Information about major customer

There is no single customer who contributed 10% or more of the Group's revenue during the year ended March 31, 2021 and March 31, 2020

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

## G. Information about business segments

Rs. Crores

PARTICULARS	Chloro-Vinyl		Sugar		Shriram Farm Solutions		Bioseed		Fertiliser		Others		Elimination		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
1. REVENUE																
External sales (Gross)	1,971.95	2,233.27	3,377.70	2,508.35	857.07	760.23	434.59	388.01	897.43	975.70	735.15	823.77			8,273.89	7,689.33
Other Operating Income	11.03	13.07	6.83	13.20	1.17	1.73	6.90	3.07	3.25	40.91	5.09	5.82			34.27	77.80
Inter segment sales	32.26	31.87	-	-	-	-	22.69	24.77	-	-	0.93	2.32	55.88	58.96		
<b>Total revenue</b>	<b>2,015.24</b>	<b>2,278.21</b>	<b>3,384.53</b>	<b>2,521.55</b>	<b>858.24</b>	<b>761.96</b>	<b>464.18</b>	<b>415.85</b>	<b>900.68</b>	<b>1,016.61</b>	<b>741.17</b>	<b>831.91</b>	<b>55.88</b>	<b>58.96</b>	<b>8,308.16</b>	<b>7,767.13</b>
2. RESULTS																
Segment results	518.42	651.95	428.93	390.70	109.16	67.55	4.43	10.14	59.08	79.67	40.27	45.21			1,160.29	1,245.22
Unallocated expenses (net of income)															149.12	169.37
Exceptional item: Provision for loss on sale of foreign subsidiaries															-	14.76
<b>Operating profit</b>	<b>518.42</b>	<b>651.95</b>	<b>428.93</b>	<b>390.70</b>	<b>109.16</b>	<b>67.55</b>	<b>4.43</b>	<b>10.14</b>	<b>59.08</b>	<b>79.67</b>	<b>40.27</b>	<b>45.21</b>			<b>1,011.17</b>	<b>1,061.09</b>
Finance costs															122.00	163.84
<b>Profit before tax</b>															<b>889.17</b>	<b>897.25</b>
Provision for taxation																
- Current and deferred tax															215.27	186.66
- Tax adjustments related to earlier years															1.64	(8.83)
<b>Net profit</b>															<b>672.26</b>	<b>719.42</b>
3. OTHER INFORMATION																
A. ASSETS																
Segment assets	1,814.78	1,862.69	3,087.54	3,393.50	125.05	210.10	604.54	594.15	345.67	903.68	312.17	308.76			6,289.75	7,272.88
Unallocated assets															1,500.96	862.52
<b>Total assets</b>	<b>1,814.78</b>	<b>1,862.69</b>	<b>3,087.54</b>	<b>3,393.50</b>	<b>125.05</b>	<b>210.10</b>	<b>604.54</b>	<b>594.15</b>	<b>345.67</b>	<b>903.68</b>	<b>312.17</b>	<b>308.76</b>			<b>7,790.71</b>	<b>8,135.40</b>
B. EQUITY AND LIABILITIES																
Equity															4,648.14	4,055.88
Segment liabilities	322.46	370.10	466.49	688.92	126.45	88.88	177.16	168.75	116.22	135.48	306.62	249.21			1,515.40	1,701.34
Secured and unsecured loans															1,451.68	2,150.27
Unallocated liabilities															175.49	227.91
<b>Total liabilities</b>	<b>322.46</b>	<b>370.10</b>	<b>466.49</b>	<b>688.92</b>	<b>126.45</b>	<b>88.88</b>	<b>177.16</b>	<b>168.75</b>	<b>116.22</b>	<b>135.48</b>	<b>306.62</b>	<b>249.21</b>			<b>7,790.71</b>	<b>8,135.40</b>
C. OTHERS																
Capital expenditure	114.58	280.92	55.50	287.21	0.61	1.75	5.51	9.87	7.15	13.91	8.54	32.59			191.89	626.25
Unallocated capital expenditure															4.16	11.24
Depreciation and amortisation expense	94.95	92.83	74.23	63.74	0.70	0.97	6.69	6.87	11.48	11.85	17.31	16.15			205.36	192.41
Unallocated depreciation and amortisation expense															27.75	26.61
Non cash expenses other than depreciation	(0.94)	-	27.10	-	1.52	11.86	7.34	7.00	-	-	(2.84)	18.43			32.18	37.29
Unallocated non cash expenses other than depreciation															1.76	1.05

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

## 31 Related party disclosures

Name of related party and nature of related party relationship

1. Holding company: Sumant Investments Private Limited

2. Joint venture: Shriram Axial Private Limited

3. Key Managerial Persons, their relatives and HUFs:

(i) Executive Directors and their relatives and HUFs (with whom transactions are there):

Mr. Ajay S. Shriram, Mr. Vikram S. Shriram, Mr. Ajit S. Shriram, Mr. K.K. Kaul, Mr. K.K. Sharma, Mr. Aditya A. Shriram (relative of Mr. Ajay S. Shriram), Mr. Anand A. Shriram (relative of Mr. Ajay S. Shriram), Mr. Pranav V. Shriram (relative of Mr. Vikram S. Shriram), Mr. Varun A. Shriram (relative of Mr. Ajit S. Shriram)<sup>1</sup>, Mrs. Anuradha Bishnoi (relative of Mr. Ajay S. Shriram), Mrs. Geeta Kaul (relative of Mr. K.K. Kaul), M/s. Ajay S. Shriram (HUF), M/s. Vikram S. Shriram (HUF), M/s. Ajit S. Shriram (HUF).

1 w.e.f. May 1, 2019

(ii) Independent Directors and their relatives (with whom transactions are there):

Mr. Pradeep Dinodia, Mr. Vimal Bhandari, Mr. Sunil Kant Munjal, Mrs. Ramni Nirula, Mr. Vikramjit Sen, Mr. Pravesh Sharma, Mr. Sharad Shrivastva<sup>1</sup> (Nominee of LIC), Ms. Sarita Garg<sup>2</sup> (Nominee of LIC)

1 upto August 7, 2020

2 w.e.f. October 20, 2020

4. Trust : Sir Shriram Foundation, DCM Shriram Employees' Provident Fund Trust, DCM Shriram Officers' Superannuation Fund Trust

5. Subsidiaries incorporated under section 8 of Companies Act 2013: DCM Shriram Foundation, Shridhar Shriram Foundation

(a) Transactions with related parties:

Rs. Crores

S. No.	Nature of transaction	This year					Total	Previous year					Total
		Holding Company	Joint Venture	Subsidiaries	KMP's/Relatives	Trust		Holding Company	Joint Venture	Subsidiaries	KMP's/Relatives	Trust	
1	Sale of products		45.39		0.31		45.70		45.27				45.27
2	Common services expenses recovered		0.96				0.96		0.96				0.96
3	Supply of water, power and steam		0.12				0.12		0.14				0.14
4	Purchases of finished goods		0.17				0.17		0.13				0.13
5	Rent paid (includes goods and services tax)				4.82		4.82				4.92		4.92
6	Remuneration (including commission) <sup>0</sup>				34.10		34.10				32.20		32.20
7	Sitting fees and commission				3.32		3.32				2.87		2.87
8	Dividend paid	50.00			2.12		52.12	96.32			4.37		100.69
9	Contribution to Provident fund trust					30.20	30.20					29.37	29.37
10	Contribution to Superannuation fund trust					8.25	8.25					8.97	8.97
11	Contribution for CSR activities			1.10			1.10			6.57			6.57

(b) Balance outstanding as at the year end  
(unsecured unless otherwise stated)

Rs. Crores

S. No.	Nature of outstanding	This year					Total	Previous year					Total
		Holding Company	Joint Venture	Subsidiaries	KMP's/Relatives	Trust		Holding Company	Joint Venture	Subsidiaries	KMP's/Relatives	Trust	
1	Security deposits receivable				8.40		8.40				8.40		8.40
2	Loans and advances receivable			0.01			0.01			0.01			0.01
3	Trade receivable		10.89				10.89		4.27				4.27
4	Commission payable				19.69		19.69				16.21		16.21

The transactions with related parties are as per the terms of arrangement between the parties in the normal course of business and to be settled through receipt/payment or sale/purchase of goods or services.

(i) Provision for incremental gratuity liability and leave encashment for the current year in respect of directors has not been considered above, since the provision is based on an actuarial basis for the Company as a whole.

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

## 32. Employee Benefits

The Group has classified the various benefits provided to employees as under:-

(i) Defined contribution plans:

The Group has recognized the following amounts in the statement of profit and loss:

	Rs. Crores	
	This year	Previous year
Employers' contribution to provident fund*	30.35	30.01
Employers' contribution to superannuation fund	8.25	8.97
Employers' contribution to employees' state insurance corporation	0.34	0.40

\* There is no shortfall in the interest cost for which Company is liable as at the date of financial statement.

(ii) Disclosure in respect of Defined benefit obligation (Gratuity) is as under:

The principal assumptions used for the purpose of actuarial valuation were as under:

Particulars	Rs. Crores	
	As at March 31, 2021	As at March 31, 2020
Discount rate		
- DCM Shriram Limited	6.90%	6.73%
- Subsidiaries	6.80% - 6.90%	5% - 6.90%
Expected rate of salary increase	8.00%	8.00%
Mortality rate	IALM (2012-14) ultimate	IALM (2012-14) ultimate
Withdrawal rates:		
- Upto 30 years	3%	3%
- 31 to 44 years	2%	2%
- above 44 years	1%	1%
Retirement age	58/60 yrs	58/60 yrs

(a) Amount recognised in statement of profit and loss in respect of the defined benefit plan are as follows:

	Rs. Crores	
	This year	Previous year
Components of defined benefit costs recognised in statement of consolidated profit and loss*		
Current service cost	12.90	10.65
Net interest expense	9.43	9.74
Components of defined benefit costs recognised in profit and loss	22.33	20.39
Components of defined benefit costs recognised in other comprehensive income		
Actuarial (gain)/loss from changes in financial assumptions	(2.18)	13.69
Actuarial (gain)/loss arising from experience adjustments	(4.90)	(0.51)
Return on plan assets (higher)/lower than discount rate	0.02	0.02
Total actuarial (gain)/loss recognised in other comprehensive income	(7.06)	13.20
Total amount recognised in statement of consolidated profit and loss	15.27	33.59

\* included in the salaries, wages, bonus, gratuity etc in note 22 "Employee Benefits expense".

(b) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit obligation/plans is as follows:

	Rs. Crores	
	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	164.23	163.72
Fair value of plan assets	(7.37)	(6.60)
Net liability arising from defined benefit obligation	156.86	157.12
- Non-current liability	128.35	132.61
- Current liability	28.51	24.51

## Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

(c) Movements in the present value of defined benefit obligations are as follows:

	Rs. Crores	
	This year	Previous year
Opening defined benefit obligation	163.72	142.86
Current service cost	12.90	10.65
Interest cost	9.88	10.13
Remeasurement (gains)/losses:		
- Actuarial (gain)/loss from changes in financial assumptions	(2.18)	13.69
- Actuarial (gain)/loss arising from experience adjustments	(4.90)	(0.51)
Benefits paid by employer	(14.64)	(12.60)
Benefits paid from plan assets	(0.55)	(0.50)
Closing defined benefit obligations	164.23	163.72

(d) Movements in the fair value of plan assets are as follows:

	Rs. Crores	
	This year	Previous year
Opening fair value of plan assets	6.60	4.84
Expected return on plan assets	0.45	0.38
Employer contribution	0.89	1.90
Remeasurement gains/(losses):		
- Return on plan assets (higher)/lower than discount rate	(0.02)	(0.02)
Benefits paid	(0.55)	(0.50)
Closing fair value of plan assets	7.37	6.60

(e) Sensitivity analysis

	Rs. Crores	
	As at March 31, 2021	As at March 31, 2020
Sensitivity of gross defined benefit obligation as mentioned above, in case of change in significant assumptions, would be as under :		
Discount rate		
(i) Discount rate -100 basis point	175.58	174.07
(ii) Discount rate +100 basis point	151.85	152.00
Salary increase rate		
(i) rate -100 basis point	152.90	152.13
(ii) rate +100 basis point	173.92	173.58

(f) Major categories of plan assets

The plan assets at one of the unit are maintained with LIC of India Gratuity Scheme. The details of investment maintained by LIC are not available and have therefore not been disclosed.

(g) The Company expects to contribute Rs. 1.28 crores to the LIC fund during the year 2021-22 (previous year - Rs. 1.11 Crores).

(h) The average expected future working life of members of the defined benefit obligation as at March 31, 2021 is 15.73 years (as at March 31, 2020: 15.99 years)

(i) The maturity profile of defined benefit obligation is as follows:

	Rs. Crores	
	As at March 31, 2021	As at March 31, 2020
within 1 year	35.88	31.11
between 2-5 years	50.12	53.73
between 6-10 years	61.62	61.95



# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

## 33. (a) Amount recognised in statement of profit and loss for investment properties

Rs. Crores

	This year	Previous year
Rental income	0.79	4.94
Income from investment properties before depreciation	0.79	4.94
Depreciation	0.10	0.11
Income from investment properties after depreciation	0.69	4.83

## (b) Fair value

The fair value of the Group's investment properties as at March 31, 2021 and March 31, 2020 have been arrived at on the basis of a valuation carried out by government approved independent valuers. The inputs used in fair valuation are circle rate of the property, prevailing market price of the similar kind of property in that area and other relevant factors.

Information about the fair value of the Group's investment properties and fair value hierarchy are as follows:

Rs. Crores

	As at March 31, 2021	As at March 31, 2020
Fair value of the investment properties (Rs. Crores)	16.22*	66.25
Fair valuation hierarchy	Level 3	Level 3

\* excluding fair value of a property transferred to Property, Plant and Equipment during the year

## 34 Disclosure of Ind AS 116 'Leases' :

### (i) Assets taken on lease

#### (a) Finance Lease

Bioseed Research Philippines Inc (BRP) has entered into finance lease arrangement for vehicles. Some of the significant terms and conditions of such leases are as under:

- renewal for a further period on such terms and conditions as may be mutually agreed upon between lessor and BRP.
- assets to be purchased by BRP or the nominee appointed by BRP at the end of the lease term.

Reconciliation between the total of minimum lease payments at the balance sheet date and their present value:

Rs. Crores

	Total		Not later than one year		Later than one year but not later than five years	
	This year	Previous year	This year	Previous year	This year	Previous year
Total of minimum lease payments at the balance sheet date	0.46	0.38	0.14	0.12	0.32	0.26
Less: Future finance charges	0.01	0.01	0.01	0.01	-	-
Present value of minimum lease payments at the balance sheet date	0.45	0.37	0.13	0.11	0.32	0.26

### (b) Amounts recognised in the statement of profit or loss

Rs. Crores

	This year	Previous year
Depreciation charge of right-of-use assets		
Buildings	20.77	21.06
Leasehold land	0.34	0.51
	21.11	21.57
Interest expense (included in finance cost)	8.20	9.49
Expense relating to short-term leases (included in Rent)	1.06	4.66
Total cash outflows for leases	22.51	24.60
Amount of lease commitments for short-term leases	0.85	1.02

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

(c) Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset:

Particulars	Rs. Crores	
	As at March 31, 2021	As at March 13, 2020
Buildings	66.10	130.98
Leasehold land	14.20	14.54
	80.30	145.52

(d) The Company's leasing activities:

The Company has entered into lease agreements for lease of offices, showrooms, godowns etc., generally for a period of 6 months to 11 years with renewal option and which can be terminated after lock-in-period by serving notice period as per the terms of the agreements.

(e) In applying IndAS 116, the Company has used the following practical expedients:

- elected not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification.
- Rs 0.50 crs recognised as 'Other income' in statement of profit and loss for financial year ended March 31, 2021 to reflect reduction in lease payments that arise from rent concessions to which the Company has applied the practical expedient.

(iii) Assets given on lease:

(i) The Company has entered into operating lease arrangements for buildings (including certain other assets). The details of leased assets are as under:

	Rs. Crores					
	Gross Block		Accumulated depreciation		Depreciation for the year	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	This year	Previous year
Land and building	13.31	19.76	1.32	1.53	0.31	0.31
Plant and equipment	0.15	0.45	0.10	0.19	0.03	0.03
Furniture and fixtures	0.16	0.16	0.12	0.12	-	-
Office equipments	0.01	0.01	-	-	-	-
	13.63	20.38	1.54	1.84	0.34	0.34

(ii) Information w.r.t. non-cancellable leases:

	Rs. Crores	
	This year	Previous year
Future minimum lease rent receivables	9.65	10.12
- Not later than one year	0.47	0.47
- Later than one year and not Later than two years	0.47	0.47
- Later than two year and not Later than three years	0.51	0.47
- Later than three year and not Later than four years	0.52	0.51
- Later than four year and not Later than five years	0.52	0.52
- Later than five years	7.16	7.68

During the year Company has earned lease income of Rs 1.56 crores (2019-20: Rs 5.64 crores)

35 Provision for contingencies in note 14 represents provision for various contingencies resulting from issues relating to reconstruction arrangement of the companies and other uncertainties requiring management judgement.

Particulars	Rs. Crores	
	As at March 31, 2021	As at March 31, 2020
As at the beginning of the year	12.09	20.74
Less: Appropriated during the year	-	(8.65)
As at the end of the year	12.09	12.09

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

36 Expenditure on corporate social responsibility activities under section 135 of the Companies Act 2013 as under:

Particulars	Rs. Crores	
	This year	Previous year
Amount required to be spent	20.08	18.34
Amount actually spent	20.11	18.44

37 Research and development expenses included under relevant heads in the statement of profit and loss Rs. 45.32 crores (2019-20 - Rs. 42.59 crores).

38 **Employee share based payments (refer note 12)**

The Company has an Employees Stock Purchase Scheme (DCM Shriram ESPS) which is administered through DCM Shriram Employees Benefits Trust based on acquisition of shares from the market to provide equity based incentives to employees under the Scheme. The shares offered, lock-in-period and grant price may be different for different eligible participants and determined at the time of every grant of shares. The expenses related to the grant of shares under the Scheme is accounted for on the basis of the fair value (which equals to market price of the Company's share on date of grant less exercise price) of share on the date of grant and is amortized on a straight line basis over the lock-in period, if any.

The number and weighted average fair value of equity shares granted during the year are as under:

Particulars	Rs. Crores	
	This year	Previous year
No. of equity shares granted during the year	2,87,500	64,000
Weighted average fair value on the grant date (Rs per equity share)	364.67	372.10

39. Assets pledged as security

A. The carrying amount of assets pledged as security for borrowings are as under:

	Rs. Crores	
	As at March 31, 2021	As at March 31, 2020
Financial assets	1,998.04	2,025.90
Inventories	1,761.87	2,143.68
Property, Plant and Equipment and intangible assets (including capital work-in-progress)	3,202.68	3,221.19
Total	6,962.59	7,390.77

B. Nature of security and terms of repayment for secured borrowings

S. No.	Nature of Security	Terms of Repayment
Short term working capital borrowings from banks:		
Company		
1.	Loans from banks on cash credit account of Rs. 0.72 Crores (March 31, 2020 - Rs. 1.00 Crores) are secured by first pari passu charge on whole of the current assets, both present and future, of the company (except Shriram Bioseed Genetics, Hyderabad & Bioseed Research India, Hyderabad). These loans are further secured by a third charge by way of mortgage/hypothecation of all the immovable/movable properties (other than current assets) of the Company's undertakings at Kota in Rajasthan and Ajbapur, Rupapur, Loni & Hariawan in Uttar Pradesh.	- Repayable on demand
2.	Short Term Loans of Rs. 100 Crores (March 31, 2020 - Rs. 523.89) are secured by first pari passu charge on whole of the current assets, both present and future, of the company (except Shriram Bioseed Genetics, Hyderabad & Bioseed Research India, Hyderabad). These loans are further secured by a third charge by way of mortgage/hypothecation of all the immovable/movable properties (other than current assets) of the Company's undertakings at Kota in Rajasthan and Ajbapur, Rupapur, Loni & Hariawan in Uttar Pradesh.	- Repayable on demand
3.	Short Term Loans of Rs. 99.50 Crores (March 31, 2020 - Rs. 99.50 Crores) is secured by first pari passu charge by way of hypothecation on book debts and stocks, both present and future of the Company's undertakings at Shriram Bioseed Genetics and Bioseed Research India, Hyderabad.	- Repayable as per terms of agreement upto April 29, 2021

## Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

Short term working capital borrowings from banks:		
Company		
4.	Short Term Loans of Rs. Nil (March 31, 2020 - Rs. 139.98 Crores) is secured by way of hypothecation of identified subsidy receivables of indigenous urea.	Not applicable
Non convertible debentures (NCD):		
1.	7.05% NCD of Rs. 197.55 Crores (March 31, 2020- Rs. Nil) is secured by way of first pari passu mortgage/charge to be created on immovable and movable Fixed Assets, both present and future and a second charge to be created ranking pari passu on the current assets, both present and future, pertaining to the Company's Bharuch unit, Gujarat (Rs. Nil due within 1 year; March 31, 2020 - Rs Nil)	- Repayable in 17 equal semi annual installments commencing from September 2022
Long term loans from banks:		
Company		
1.	Term loans of Rs. 214.84 Crores (March 31, 2020 - Rs. 216.36 Crores) are secured by way of first pari passu mortgage/charge created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Ajbapur, Uttar Pradesh (Rs. 4.23 Crores due within 1 year; March 31, 2020 - Rs 1.53 Crores)	- Rs. 53.95 Crores repayable in 20 equal quarterly installments commencing from January, 2022 - Rs. 160.89 Crores repayable in 32 quarterly installments
2.	Term loans of Rs. 126.26 Crores (March 31, 2020 - Rs. 145.56 Crores) are secured by way of first pari passu mortgage/charge created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Kota, Rajasthan (Rs. 38.68 Crores due within 1 year; March 31, 2020 - Rs 15.12 Crores)	- Rs. 16.74 Crores repayable in Sep 2021 - Rs. 109.52 Crores repayable in 8 semi annual installments
3.	Term loans of Rs. 146.62 Crores (March 31, 2020 - 147.87 Crores) are secured by way of first pari passu mortgage/charge created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Hariawan, Uttar Pradesh (Rs. 1.32 Crores due within 1 year; March 31, 2020 - Rs 1.32 Crores)	- Rs. 91.11 Crores repayable in 28 quarterly installments - Rs. 15 Crores repayable in 2 annual installment commencing from December, 2023 - Rs. 40.52 Crores repayable in 32 quarterly installments
4.	Term loan of Rs. 121.67 Crores (March 31, 2020 - Rs. 157.51 crores) is secured by way of first pari passu mortgage/charge created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Ajabpur and Loni, Uttar Pradesh. (Rs. 40.35 Crores due within 1 year; March 31, 2020 - Rs 40.35 Crores)	- Repayable in 39 monthly installments.
5.	Term Loan of Rs 21 Crores (March 31, 2020 - Rs 21 Crores) is secured by way of First pari passu mortgage/charge created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Loni, Uttar Pradesh. (Rs. Nil due within 1 year; March 31, 2020 - Rs Nil)	- Repayable in 3 equal annual installments commencing from June 2023.
Long term loans from others:		
Company		
1.	Term loan of Rs. 102.03 Crores (March 31, 2020 - Rs. 122.81 Crores) is secured by way of first pari passu mortgage/charge created on immovable and movable Fixed Assets, both present and future and a second charge ranking pari passu on the current assets, both present and future, pertaining to the Company's Bharuch unit, Gujarat (Rs. 17.20 Crores due within 1 year; March 31, 2020 - Rs 17.79 Crores)	- Repayable in 12 equal semi annual installments
2.	Term Loan of Rs 144.03 Crores (March 31, 2020 - Rs 148.50 Crore) is secured by way of First pari passu mortgage/charge created on immovable and movable Fixed Assets, both present and future and a second charge ranking pari passu on the current assets, both present and future, pertaining to the Company's unit at Hariawan, UP (Rs 15.39 due within 1 year; March 31, 2020 - Rs Nil)	- Repayable in 19 equal semi annual installments commencing from June 2021

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

Long term loans from others:		
Company		
3.	Term loan of Rs. Nil (March 31, 2020 - Rs. 2.85 Crores) is secured by way of an exclusive second charge on all immovable and movable assets (save and except book debts) both present and future, pertaining to the Company's Rupapur Sugar Complex, Uttar Pradesh (Rs. Nil Crores due within 1 year; March 31, 2020 - Rs 2.85 Crores)	- Not applicable
4.	Term Loan of Rs. 30.86 Crores (March 31, 2020 - Rs. 33.47 Crores) is secured by way of a first pari passu charge on all immovable and movable properties both present and future, pertaining to the Company's Ajbapur Sugar Complex, Uttar Pradesh (Rs 7.40 Crores due within 1 year; March 31, 2020 - Rs 3.65 Crores)	- Repayable in 10 equal semi annual installments commencing after 3 years from respective drawdown
5.	Term loan of Rs. 1.25 Crores (March 31, 2020 - Rs. 1.67 Crores) from Department of Biotechnology, Government of India is secured against hypothecation of plant & machinery, machinery spares, tools and accessories acquired from the loan proceeds to Company's Bioseed Research India division. (Rs. 0.34 Crores due within 1 year; March 31, 2020 - Rs 0.45 Crores)	- Rs. 0.26 Crores repayable by April 05, 2021 -Rs. 0.08 Crores repayable in 3 equal semi annual installments -Rs. 0.91 Crores repayable in 10 equal semi annual installments commencing from Sep 21
6.	Term Loan of Rs. 33.58 Crores (March 31, 2020 - Rs. 46.17 Crores) is secured by way of a first pari passu charge on all immovable and movable properties both present and future, pertaining to the Company's Hariawan Sugar Complex, Uttar Pradesh (Rs. 14.25 Crores due within 1 year; March 31, 2020 - Rs 14.25 Crores)	- Repayable in 7 equal semi annual installments

## 40. Income tax expense

	Rs. Crores	
	This year	Previous year
(a) Income tax expense		
<u>Current tax</u>		
Current tax on profits for the year	174.28	116.92
Adjustments for current tax of earlier years *	(7.65)	(11.32)
Total current tax expense	166.63	105.60
<u>Deferred tax</u>		
Deferred tax charge/(credit)	40.99	69.74
Adjustments for deferred tax of earlier years *	9.29	2.49
Total tax expense	216.91	177.83
(b) Reconciliation of tax expense and the accounting profit		
Profit before tax	889.17	912.01
Income tax expense calculated at 34.944%	310.71	318.69
Tax adjustment of earlier years	1.64	(8.83)
(i) Tax effect of:		
- Corporate social responsibility expenses not allowed as deduction	3.25	6.45
- Weighted deduction on research and development expenses	-	(1.98)
- Deduction under section 80-IA of the Income-tax Act, 1961	(103.05)	(152.17)
- deductible temporary differences on which no deferred tax is recognised	0.17	4.06
- different tax rates of subsidiaries operating in other jurisdiction	3.78	(4.01)
(ii) Others	0.41	15.62
Income tax expense	216.91	177.83
(c) Tax effect on unrecognised temporary differences relating to:		
(i) Provision for impairment in value of assets held for sale	-	18.48
(ii) Unabsorbed business loss	28.87	33.65
(iii) Unabsorbed business depreciation	0.13	0.15
Total	29.00	52.28

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

(d) Deferred tax movements

Deferred tax assets/(liabilities) in relation to:

Rs. Crores						
	Provision for gratuity and compensated absences	Provision for doubtful debts and advances	Depreciation	Others	MAT credit entitlement	Total
As at April 1, 2019	82.14	39.90	(423.60)	25.68	343.33	67.45
(Charged)/credited to:						
Profit or loss	7.55	(6.68)	(76.06)	5.45	43.01	(26.73)
Other comprehensive income	5.42	-	-	1.48	-	6.90
Adjustment related to earlier years *	-	-	-	(2.49)	11.32	8.83
As at March 31, 2020	95.11	33.22	(499.66)	30.12	397.66	56.45
(Charged)/credited to:						
Profit or loss	4.18	12.56	(48.74)	(8.99)	(13.52)	(54.51)
Other comprehensive income	(2.41)	-	-	(1.27)	-	(3.68)
Adjustment related to earlier years *	(0.39)	-	(0.52)	(8.38)	8.27	(1.02)
As at March 31, 2021	96.49	45.78	(548.92)	11.48	392.41	(2.76)

\* Tax charge of earlier years finalised on filing of returns/completion of assessments with corresponding impact on MAT

41. Information with respect to a joint venture is as under (refer note 3.1):

Name of Joint Venture	Shriram Axiall Private Limited
Country of incorporation	India

Rs. Crores			
Particulars	This year	Previous year	
Share of profit before tax	2.46	3.61	
Share of profit after tax	1.73	2.78	
Share of other comprehensive income/(loss)	(0.07)	0.03	
Share of total comprehensive income/(loss)	1.66	2.81	
Ownership Interest	50%	50%	

42. Financial instruments by category

The criteria for recognition of financial instruments is explained in significant accounting policies note 1.4 (k)

	March 31, 2021			March 31, 2020		
	Amortised cost*	FVTOCI	FVTPL	Amortised cost*	FVTOCI	FVTPL
Financial assets						
Investments						
- Equity instruments	-	3.86	0.08	-	4.09	0.04
- Government securities	0.06	-	-	0.06	-	-
Trade receivables	463.46	-	-	1,078.72	-	-
Loans	20.92	-	-	22.76	-	-
Cash and cash equivalents and bank balances	574.48	-	759.26	498.99	-	61.46
Derivative financial assets	-	-	6.95	-	0.40	23.65
Others	268.36	-	-	249.89	-	-
Total financial assets	1,327.28	3.86	766.29	1,850.42	4.49	85.15

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

Rs. Crores

	March 31, 2021			March 31, 2020		
	Amortised cost*	FVTOCI	FVTPL	Amortised cost*	FVTOCI	FVTPL
Financial liabilities						
Borrowings	1,287.71	-	-	2,046.27	-	-
Trade payables	701.98	-	-	927.05	-	-
Derivative financial liabilities	-	1.32	1.85	-	5.16	-
Other financial liabilities	387.14	-	-	399.25	-	-
<b>Total financial liabilities</b>	<b>2,376.83</b>	<b>1.32</b>	<b>1.85</b>	<b>3,372.57</b>	<b>5.16</b>	<b>-</b>

\* The fair value of non-current financial assets and financial liabilities carried at amortized cost is substantially same as their carrying amount.

### 43 Capital management

The Group endeavors to optimize debt and equity balance and provide adequate strength to the balance sheet. The Group monitors capital on the basis of debt equity ratio.

### 44 Financial risk management

The Group's activities expose it to various financial risks : Credit risk, Liquidity risk and Market risk.

#### 44.1 Credit risk management

Credit risk arises from credit exposure to customers (including receivables and deposit), loans and other financial assets. The Group perform credit evaluation and defines credit limits for each customer/counter party. The Group also continuously reviews and monitors the same.

The provision for doubtful debts or provision for impairment of investments etc is made on case to case basis, based on the information related to financial position, past history/ageing and other relevant available information about the counterparty. The Group also makes general provision for lifetime expected credit loss based on its previous experience of provision/write off in previous years.

The movement in the provision for doubtful debts and provision diminution in value of investments is as under:

Rs. Crores

Particulars	Trade receivables	Investments
Provision as at April 1, 2019	92.95	2.25
Provision made during the year 2019-20	14.36	-
Written off/(written back) during the year 2019-20	(37.39)	-
Provision as at March 31, 2020	69.92	2.25
Provision made during the year 2020-21	5.34	-
Written off/(written back) during the year 2020-21	(0.14)	-
Provision reversed pursuant to sale of subsidiaries	(8.58)	-
Provision as at March 31, 2021	66.54	2.25

#### 44.2 Liquidity risk management

(i) The Group manages liquidity by ensuring control on its working capital which involves adjusting production levels and purchases to market demand and daily sales of production and low receivables. It also ensures adequate credit facilities sanctioned from bank to finance the peak estimated funds requirements. The working capital credit facilities are continuing facilities which are reviewed and renewed every year.

The Group also ensures that the long term funds requirements are met through adequate availability of long term capital (Debt & Equity)

Rs. Crores

	As at March 31, 2021	As at March 31, 2020
Total Committed working capital limits from Banks	1,150.00	1,095.00
Utilized working capital limit	200.22	624.69
Unutilized working capital limit	949.78	470.31

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

## (ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amount disclosed in the table are the contractual undiscounted cash flow.

Contractual maturities of financial liabilities

Rs. Crores

	Upto 1 year	Between 1 year to 5 year	Over 5 years	Total
<b>As at March 31, 2021</b>				
Non-derivatives				
Borrowing *	238.94	797.34	232.34	1,268.62
Trade Payables	701.98	-	-	701.98
Lease liabilities	17.29	46.37	5.42	69.08
Other financial liabilities	154.12	-	-	154.12
<b>Total non-derivative liabilities</b>	<b>1,112.33</b>	<b>843.71</b>	<b>237.76</b>	<b>2,193.80</b>
Derivatives (net settled)				
Interest rate swap	1.32	-	-	1.32
Foreign exchange forward contracts	1.85	-	-	1.85
<b>Total derivative liabilities</b>	<b>3.17</b>	<b>-</b>	<b>-</b>	<b>3.17</b>
<b>As at March 31, 2020</b>				
Non-derivatives				
Borrowing *	550.62	641.87	356.24	1,548.73
Trade Payables	927.05	-	-	927.05
Lease liabilities	31.53	59.50	38.99	130.02
Other financial liabilities	165.27	-	-	165.27
<b>Total non-derivative liabilities</b>	<b>1,674.47</b>	<b>701.37</b>	<b>395.23</b>	<b>2,771.07</b>
Derivatives (net settled)				
Interest rate swap	5.16	-	-	5.16
<b>Total derivative liabilities</b>	<b>5.16</b>	<b>-</b>	<b>-</b>	<b>5.16</b>

\* Excludes utilized working capital limit disclosed in note 44.2 (i)

## (iii) Reconciliation for financial liabilities arising from financing activities as per Para 44A of IndAS 7.

Rs. Crores

Particulars	Long term borrowings	Short term borrowings	Interest accrued on borrowings
Closing balance as on April 1, 2019	1,072.16	537.89	12.95
Add: Additions during the year	165.79	533.46*	63.65
Less: Repayments during the year	(200.41)	-	(58.55)
Add/(Less): Foreign exchange fluctuation (gain)/loss	34.13	-	-
Add/(Less): Amortisation impact on borrowings	7.21	-	-
Closing balance as on March 31, 2020	1,078.88	1,071.35	18.05
Add: Additions during the year	201.62	-	58.03
Less: Repayments during the year	(94.69)	(796.13)*	(70.24)
Add/(Less): Foreign exchange fluctuation (gain)/loss	(15.38)	-	-
Add/(Less): Amortisation impact on borrowings	6.00	-	-
Closing balance as on March 31, 2021	1,176.43	275.22	5.84

\* net movement during the year



# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

## 44.3 Market Risk

(a) The Group's operations are mainly in India and therefore rupee denominated, except the following:

- Foreign currency denominated loans (Long term & Short term)
- Imports of some raw material, stores & spares and capital equipments
- Export of finished goods

The Group follows a policy of keeping these liabilities/assets fully hedged against foreign currencies. Regarding interest rate fluctuation, it follows a policy of partial hedge. Some of the rupee liabilities have interest linked to the bank's MCLR or Financial market benchmark rates and are subject to variation in such rates.

(b) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate change at the end of the reporting period are as follows:

Rs. Crores

	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings		
Long Term	376.92	576.57
Short Term	130.78	175.14
Total Variable rate borrowings	507.70	751.71
Fixed rate borrowings		
Long Term	635.57	398.35
Short Term	308.38	1,000.17
Total fixed Rate borrowings	943.95	1,398.52
Total Borrowings	1,451.65	2,150.23

(e) Sensitivity

Variable interest rate loans are exposed to Interest rate risk, the impact on Profit or loss before tax may be as follows:

Rs. Crores

	Impact on profit before tax	
	March 31, 2021	March 31, 2020
Interest rate- increase by 100 basis points (100 bps)*	(5.07)	(7.52)
Interest rate- decrease by 100 basis points (100 bps)*	5.07	7.52

\* Holding all other variable constant

## 44.4 Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position:

Rs. Crores

March 31, 2021	Nominal value of hedged instruments#		Carrying amount of hedging instrument##		Maturity date	Hedge ratio	Weighted average strike price/rate	Gain (loss) in fair value of hedging instrument	Gain (loss) in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash Flow hedge									
Foreign exchange risk									
(i) Foreign exchange forward contracts	68.91	17.24	69.17	16.97	5-Apr-21 to 18-Jan-22	1:1	USD 73.17 EUR 86.69 JPY 0.71 CHF 81.22 GBP 100.18	0.53	0.53
Fair value hedge									
(i) Foreign exchange forward contracts	351.71	20.10	371.28	20.83	5-Apr-21 to 3-Nov-21	1:1	USD 69.64 EUR 87.37 SEK 8.46	18.83	18.83

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

Rs. Crores

March 31, 2020									
Type of hedge and risks	Nominal value of hedged instruments#		Carrying amount of hedging instrument##		Maturity date	Hedge ratio	Weighted average strike price/rate	Gain (loss) in fair value of hedging instrument	Gain (loss) in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash Flow hedge									
Foreign exchange risk									
(i) Foreign exchange forward contracts	24.55	-	25.30	-	03-Apr-20 to 30-Sep-20	1:1	USD 73.16 EUR 81.04 JPY 0.67 CHF 73.45	0.76	0.76
Fair value hedge									
(i) Foreign exchange forward contracts	353.81	22.35	389.03	24.02	3-Apr-20 to 27-Nov-20	1:1	USD 68.80 EUR 80.39	33.55	33.55

# Nominal value is the INR value of the instrument based on spot rate of the first hedge

## Carrying value is the INR value of the instrument based on the spot rate of the reporting date

(b) Disclosure of effect of hedge accounting on financial performance:

Movement in cash flow hedging reserve

Risk category	Foreign currency risk	Interest rate risk	Total
Derivative instrument	Foreign exchange forward contracts	Interest rate swaps	
<b>(i) Cash flow hedging reserve</b>			
As at April 1, 2019	(0.73)	0.29	(0.44)
Add: Change in spot element of foreign exchange forward contracts	0.51	-	0.51
Add: Changes in fair value of interest rate swaps	-	(6.17)	(6.17)
Less: Amount reclassified to profit or loss under the heading 'Cost of materials consumed'	0.65	-	0.65
Less: Amount included in Property, plant and equipment	0.96	-	0.96
Less: Deferred tax relating to above (net)	1.43	-	1.43
As at March 31, 2020	2.82	(5.88)	(3.06)
Add: Change in spot element of foreign exchange forward contracts	0.30	-	0.30
Add: Changes in fair value of interest rate swaps	-	3.84	3.84
Less: Amount reclassified to profit or loss under the heading 'Cost of materials consumed'	(0.47)	-	(0.47)
Less: Amount included in Property, plant and equipment	(0.17)	-	(0.17)
Less: Deferred tax relating to above (net)	(1.24)	-	(1.24)
As at March 31, 2021	1.24	(2.04)	(0.80)

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

## 45. Fair value hierarchy (refer note 42)

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table presents fair value hierarchy of financial assets and financial liabilities measured at fair value on a recurring basis:

Rs. Crores

Financial assets and liabilities measured at fair value	Level 1	Level 2	Level 3	Total
As at March 31, 2021				
Financial assets				
Financial investments in liquid mutual fund at FVTPL	759.26	-	-	759.26
Financial investments at FVTOCI				
- unquoted equity investments	-	-	1.85	1.85
- quoted equity investments	2.01	-	-	2.01
Other derivatives (foreign currency options) at FVTPL	-	6.95	-	6.95
Total financial assets	761.27	6.95	1.85	770.07
Financial liabilities				
Foreign currency forward contracts designated in hedge accounting relationship	1.85	-	-	-
Interest rate swaps designated in hedge accounting relationship	-	1.32	-	-
Total financial liabilities	1.85	1.32	-	-
As at March 31, 2020				
Financial assets				
Financial investments in liquid mutual fund at FVTPL	61.46	-	-	61.46
Financial investments at FVTOCI				
- unquoted equity investments	-	-	1.85	1.85
- quoted equity investments	2.24	-	-	2.24
Foreign currency forward contracts designated in hedge accounting relationship	14.13	-	-	14.13
Other derivatives (foreign currency options) at FVTPL	-	9.92	-	9.92
Total financial assets	77.83	9.92	1.85	89.60
Financial liabilities				
Interest rate swaps designated in hedge accounting relationship	-	5.16	-	5.16
Total financial liabilities	-	5.16	-	5.16

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 inputs are unobservable inputs for the asset or liability

## 46. Asset classified as held for sale

The segment to which the 'assets held for sale' relates are as under:

Rs. Crores

Particulars	As at March 31, 2021	As at March 31, 2020
- Sugar	0.40	0.40
- Chloro Vinyl	10.98	10.88
- Shriram Farm Solutions	1.37	1.37
- Others (Hariyali Kisaan Bazaar)	50.98	59.39
- Unallocated	7.01	13.06
	70.74	85.10

Assets classified as held for sale is measured at the lower of the carrying amount and fair value less costs to sell at the reporting date. The fair value of the assets held for sale is determined using level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures.

Amounts recognised in the statement of profit and loss on assets held for sale is as under:

Rs. Crores

Particulars	This year	Previous year
Provision/(reversal) for impairment in value of assets held for sale included in 'other expenses' in the statement of profit and loss	(5.05)	5.60
Profit (net) recognised in 'other income' in the statement of profit and loss on sale of assets held for sale	5.69	3.09

47. Based on the information available with the Company as at year end, the principal amount and interest due to Micro and small enterprises as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is Rs. 28.07 crores (March 31, 2020 - Rs. 13.14 crores) and Rs. Nil (March 31, 2020 Rs Nil) respectively.

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

## 48. Disclosures related to government grant

The government grant/government assistance recognised are as under:

Rs. Crores

Nature of Grant/assistance	Income/Expense head	This year	Previous year
<u>Sugar</u>			
Production subsidy on cane crushed	Cost of materials consumed	-	10.15
Sugar export assistance	Sale of Products	166.88	123.98
Interest subsidy (includes Rs 7.18 crores for earlier years)	Other income	19.44	25.51
Buffer stock subsidy	Other income	8.26	21.49
Benefit of loan at concessional rate of interest	Other Income	7.19	8.46
<u>Bioseed</u>			
Benefit of loan at concessional rate of interest	Other Income	0.02	0.04

## 49. Details of pre-operative expenses pending allocation included under capital work-in-progress in note 2.1 is as under:

Rs. Crores

Particulars	As at	
	March 31, 2021	March 31, 2020
Finance cost	2.60	21.46
Salaries, wages etc	5.34	6.75
Insurance	0.13	0.06
Power, fuel etc	0.37	7.98
Miscellaneous expenses	1.44	3.90
	9.88	40.15
Add: Brought forward from previous year	10.04	15.54
Total	19.92	55.69
Less: Capitalised/provision during the year	(1.46)	(45.65)
Transferred to capital work-in-progress	18.46	10.04

50. Hon'ble High Court of Allahabad vide its order dated February 12, 2019 has set aside and quashed the notification withdrawing the Sugar Industrial Promotion Policy 2004 (Policy). The State Government has filed special leave petition (SLP) with Supreme Court against the above said order. The Company has not accrued the benefits consequent to the above said order due to uncertainties of the amount and the collection thereof.

51. Donation includes Rs. Nil (2019-20 - Rs. 10 crores) towards political contribution.

52. (i) Bioseed India Limited (a 100% subsidiary) has not been carrying any business. Ministry of Corporate Affairs (MCA) had given the approval on April 3, 2020 for change of status as 'Dormant Company'. Accordingly, the said subsidiary have been preparing its financial statements on liquidation basis of accounting. The total assets of Rs 0.04 crores (March 31, 2020 - Rs 0.05 crores) and total liabilities of Rs 0.01 crores (March 31, 2020 - Rs 0.01 crores) have been included in these consolidated financials based on its recoverable/payable amount. This matter has been emphasised by the subsidiary's statutory auditor in its audit report.

(ii) During the financial year 2019-20, the Govt of Himachal Pradesh (HP) cancelled the allotment of Chhatru Hydro project of the subsidiary company namely 'DCM Shriram Infrastructure Limited'. The HP High Court has appointed an arbitrator in the matter and the arbitration proceedings are in progress. As there are no other business activities in this subsidiary as of now, the current year's financials have been prepared on liquidation basis of accounting. The total assets of Rs 0.12 crores and total liabilities of Rs 0.01 crores have been included in these consolidated financials (net of elimination) based on its recoverable/payable amount.

(iii) Based on the Income and Assets pattern during the year, Shriram Bioseed Ventures Limited is not a Non Banking Finance Company as on the Balance Sheet date.

53. In preparation of consolidated financial statements for the year ended March 31, 2021, the Company has taken into account the possible impact of COVID-19 and the related internal and external factors known to the management upto the date of approval of these financial statements to assess the carrying amount of its assets and liabilities. Accordingly, no material impact is anticipated in these financial statements.

54. The Board of Directors has approved the merger of Bioseed Limited with Shriram Bioseed Ventures Limited (wholly owned subsidiaries). The proposed merger is subject to NCLT and other regulatory approvals.

55. (a) During the previous year ended March 31, 2020, Bioseed Holdings PTE (a 100% subsidiary of the Company) had completely divested equity shares of underlying business of its subsidiaries namely PT Shriram Seed Indonesia (PTSSI) and PT Shriram Genetics Indonesia (PTSGI) w.e.f. February 27, 2020. Accordingly, consequential loss amounting to Rs 8.28 crores was recognised as an exceptional item in the previous year ended March 31, 2020.

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

- (b) (i) During the previous year ended March 31, 2020, Bioseed Holding PTE (a 100% subsidiary of the Company) had entered into an agreement for sale of equity shares of underlying business of its subsidiary namely Bioseed Vietnam Limited. Accordingly, provision for loss amounting to Rs 6.48 crores was recognised as an exceptional item in the previous year ended March 31, 2020. The sale of equity shares has been completed on July 31, 2020.
- (ii) The Company sold the entire equity shares held and transferred the management control in its subsidiary Shri Ganpati Fertilisers Limited with effect from May 19, 2020.

The results of the subsidiaries, Bioseed Vietnam Limited and Shri Ganpati Fertilisers Limited included in the consolidated financials (after elimination of inter company transactions) upto the date of transfer of business are as under:

Rs. Crores

Particulars	For the period from	
	April 1, 2020 to May 19, 2020	April 1, 2020 to July 31, 2020
	Shri Ganpati Fertilisers Limited	Bioseed Vietnam Limited
Sale of products	0.22	1.61
Profit/(loss) before tax	(0.74)	(3.16)
Profit/(loss) after tax	(0.74)	(3.59)
Other comprehensive income/(loss)	-	0.20

56. The Board of Directors, in its meeting held on May 4, 2021, have recommended a final dividend of Rs. 3.80/- per equity share of Rs 2/- each aggregating to Rs. 59.26 crores for the financial year ended March 31, 2021. The recommendation is subject to the approval of shareholders at the forthcoming Annual General Meeting.

57. Statement containing salient features, pursuant to Schedule III of the Companies Act 2013, of subsidiaries and joint ventures as per standalone financial statements of each entity for:

(i) financial year ended March 31, 2021

Rs. Crores

Name of the entity in the Group	Country of incorporation	% of voting power	Net Assets (before adjustment of intercompany eliminations)		Share in Profit/(loss) (before adjustment of intercompany eliminations)		Share in other comprehensive income (before adjustment of intercompany eliminations)		Share in total comprehensive income (before adjustment of intercompany eliminations)	
			As % of consolidated net assets	Amount (Rs. Crores)	As % of consolidated profit/(loss)	Amount (Rs. Crores)	As % of consolidated other comprehensive income	Amount (Rs. Crores)	As % of consolidated total comprehensive income	Amount (Rs. Crores)
<b>Parent</b>										
DCM Shriram Limited			100.96%	4,692.82	98.29%	662.48	155.81%	6.84	98.66%	669.32
<b>Subsidiaries</b>										
<b>Indian</b>										
DCM Shriram Credit and Investments Limited	India	100%	0.10%	4.68	0.03%	0.22	20.50%	0.90	0.17%	1.12
Bioseed India Limited	India	100%	0.00%	0.04	0.00%	(0.01)	-	-	(0.00%)	(0.01)
DCM Shriram Infrastructure Limited	India	100%	(0.69%)	(32.06)	(0.01%)	(0.10)	-	-	(0.01%)	(0.10)
Fenesta India Limited	India	100%	0.00%	0.05	(0.04%)	(0.30)	0.23%	0.01	(0.04%)	(0.29)
Shri Ganpati Fertilizers Limited *	India	81.41%	-	-	0.57%	3.82	-	-	0.56%	3.82
Hariyali Rural Ventures Limited	India	100%	(0.00%)	(0.02)	-	-	-	-	-	-
DCM Shriram Aqua Foods Limited	India	100%	0.07%	3.31	0.01%	0.04	-	-	0.01%	0.04
Shriram Bioseed Ventures Limited	India	100%	0.46%	21.20	(0.21%)	(1.43)	-	-	(0.21%)	(1.43)
<b>Foreign</b>										
Bioseeds Limited	Mauritius	100%	(0.10%)	(4.88)	(0.92%)	(6.17)	-	-	(0.91%)	(6.17)
Bioseed Holdings PTE Limited	Singapore	100%	(2.86%)	(133.02)	(1.91%)	(12.86)	-	-	(1.90%)	(12.86)
Bioseed Research Philippines Inc.	Philippines	100%	0.75%	34.86	1.30%	8.77	2.73%	0.12	1.31%	8.89
Bioseed Vietnam Limited *	Vietnam	100%	-	-	(0.53%)	(3.55)	4.56%	0.20	(0.49%)	(3.35)
Shriram Bioseed (Thailand) Limited	Thailand	99.99%	0.00%	0.02	-	-	-	-	-	-
Bioseed Research USA Inc.	USA	100%	0.00%	0.01	(0.00%)	(0.02)	-	-	(0.29%)	(0.02)
<b>Minority Interest</b>										
<b>Joint Venture (Indian)</b>										
Shriram Axial Private Limited	India	50%	0.56%	26.19	0.26%	1.73	(1.59%)	(0.07)	0.24%	1.66
<b>Total</b>				4,613.20		653.33		8.00		661.33
Add/(less): consolidation adjustments				34.94		20.66		(3.61)		17.05
<b>Total after consolidation adjustments</b>				4,648.14		673.99		4.39		678.38

\* Refer note 55

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2021

(ii) financial year ended March 31, 2020

Rs. Crores

Name of the entity in the Group	Country of incorporation	% of voting power	Net Assets (before adjustment of intercompany eliminations)		Share in Profit/(loss) (before adjustment of intercompany eliminations)		Share in other comprehensive income (before adjustment of intercompany eliminations)		Share in total comprehensive income (before adjustment of intercompany eliminations)	
			As % of consolidated net assets	Amount (Rs. Crores)	As % of consolidated profit/(loss)	Amount (Rs. Crores)	As % of consolidated other comprehensive income	Amount (Rs. Crores)	As % of consolidated total comprehensive income	Amount (Rs. Crores)
<b>Parent</b>										
DCM Shriram Limited			101.22%	4,105.34	102.97%	743.67	86.98%	(10.42)	103.24%	733.25
<b>Subsidiaries</b>										
<b>Indian</b>										
DCM Shriram Credit and Investments Limited	India	100%	0.09%	3.56	0.01%	0.08	39.82%	(4.77)	(0.66%)	(4.69)
Bioseed India Limited	India	100%	0.00%	0.04	-	-	-	-	-	-
DCM Shriram Infrastructure Limited	India	100%	(0.79%)	(31.96)	(3.43%)	(24.74)	-	-	(3.48%)	(24.74)
Fenesta India Limited	India	100%	0.01%	0.34	(0.01%)	(0.10)	0.08%	(0.01)	(0.02%)	(0.11)
Shri Ganpati Fertilizers Limited	India	81.41%	(0.09%)	(3.47)	4.09%	29.54	0.08%	(0.01)	4.16%	29.53
Hariyali Rural Ventures Limited	India	100%	(0.00%)	(0.02)	0.23%	1.64	-	-	0.23%	1.64
DCM Shriram Aqua Foods Limited	India	100%	0.08%	3.27	0.00%	0.03	-	-	0.00%	0.03
Shriram Bioseed Ventures Limited	India	100%	0.56%	22.63	0.35%	2.56	-	-	0.36%	2.56
<b>Foreign</b>										
Bioseeds Limited	Mauritius	100%	3.53%	143.12	(0.15%)	(1.10)	-	-	(0.15%)	(1.10)
Bioseed Holdings PTE Limited	Singapore	100%	(3.07%)	(124.45)	(28.12%)	(203.09)@	-	-	(28.60%)	(203.09)
Bioseed Research Philippines Inc.	Philippines	100%	0.64%	25.76	0.78%	5.60	0.92%	(0.11)	0.77%	5.49
Bioseed Vietnam Limited	Vietnam	100%	0.28%	11.31	1.50%	10.86	1.50%	(0.18)	1.50%	10.68
PT Shriram Seed Indonesia	Indonesia	95%	-	-	2.70%	19.51	1.17%	(0.14)	2.73%	19.37
PT. Shriram Genetics Indonesia	Indonesia	100%	-	-	1.17%	8.44	0.75%	(0.09)	1.18%	8.35
Shriram Bioseed (Thailand) Limited	Thailand	99.99%	0.00%	0.02	(0.10%)	(0.72)	-	-	(0.10%)	(0.72)
Bioseed Research USA Inc.	USA	100%	0.00%	0.03	(0.00%)	(0.02)	-	-	(0.28%)	(0.02)
<b>Minority Interest</b>			(0.15%)	(6.14)	0.76%	5.49	-	-	0.77%	5.49
<b>Joint Venture (Indian)</b>										
Shriram Axiall Private Limited	India	50%	0.60%	24.53	0.38%	2.78	(0.25%)	0.03	0.40%	2.81
<b>Total</b>				4,173.91		600.43		(15.70)		584.73
Add/(less): consolidation adjustments				(118.03)		121.77		3.72		125.49
<b>Total after consolidation adjustments</b>				<b>4,055.88</b>		<b>722.20</b>		<b>(11.98)</b>		<b>710.22</b>

@ includes Rs 190.35 crores on account of loss on sale of investments/provision for impairment of investments/loans written off with respect to subsidiaries, which gets eliminated at Group level.

## 58. Particulars of sale of products

Rs. Crores

Description	Sales	
	2020-21	2019-20
Urea	895.53	975.65
PVC resins	606.02	384.11
Caustic soda	951.92	1,513.75
Marketable Calcium carbide	77.50	126.29
Super Phosphate	-	63.66
Seeds	907.14	673.66
Cement	165.00	165.78
Sugar	2,573.46	2,087.56
Ethanol	649.84	286.70
Unplasticized polyvinyl chloride (UPVC) windows	356.03	411.07
Power Sale	114.14	114.06
Petrol / Diesel	201.97	228.36
Other sales/stocks and adjustments	775.34	658.68
<b>Total</b>	<b>8,273.89</b>	<b>7,689.33</b>

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants

For and on behalf of the Board of Directors

Harinderjit Singh  
Partner  
Membership No. 086994  
Place: Gurugram  
Date: May 4, 2021

Sameet Gambhir  
Company Secretary  
Place: New Delhi

Amit Agarwal  
Chief Financial Officer  
Place: New Delhi

Pradeep Dinodia  
Director  
DIN: 00027995  
Place: New Delhi

Ajay S. Shriram  
Chairman & Sr. Managing Director  
DIN: 00027137  
Place: New Delhi

# Notice

Notice is hereby given that the Thirty-Second (32<sup>nd</sup>) Annual General Meeting (AGM) of the Members of DCM Shriram Ltd. ("the Company") will be held on Tuesday, the 20<sup>th</sup> July, 2021 at 10:30 A.M. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") without the physical presence of Members at a common venue, to transact the following business:

## Ordinary Business:

- To consider and adopt:
  - the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2021, the reports of the Board of Directors and Auditors thereon; and
  - the audited consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2021 and the reports of the auditors thereon.
- To declare a final dividend and to note the payment of interim dividend of Rs. 5.50 per equity share already paid during financial year 2020-21.
- To appoint a Director in place of Mr. Ajit S. Shriram (DIN : 00027918), who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. K.K. Sharma (DIN : 07951296), who retires by rotation and being eligible, offers himself for re-appointment.

## Special Business:

- To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable law, the remuneration payable/paid to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost accounting records of the Company for the financial year 2020-21, as detailed in the Explanatory Statement to this Notice, be and is hereby ratified and confirmed.

Resolved further that the Board of Directors or Committee thereof or its other delegate be and are hereby authorized to do all such acts, deeds and things as may be deemed appropriate in this connection."
- To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"Resolved that Ms. Sarita Garg (DIN : 08926869), Nominee, LIC of India, who was appointed as an Additional Director of the Company by the Board, be and is hereby appointed a Director of the Company.

Resolved further that the Board of Directors and/or any Committee of the Board or its other delegate be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto."
- To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meeting of Board and its Power) Rules, 2014 and any other Rules as applicable (including any Statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Members be and is hereby accorded to the revision, w.e.f. 1.4.2021, in the maximum limit of remuneration for Mr. Anand A. Shriram, a relative of Mr. Ajay S. Shriram, Chairman and Senior Managing Director of the Company, up-to Rs. 12.50 lakhs per month including salary, perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost to the Company in other cases), ex-gratia/rewards and all other benefits as applicable to officers in his cadre, with an authority to the Board of Directors or a Committee thereof to fix and revise his remuneration within the aforesaid limit, to promote him to a higher grade and/or change in designation, from time to time, as it may consider suitable without requiring any further Resolution or consent of or reference to the Members.

Resolved further that the Board of Directors or a Committee thereof or its other delegate, be and are hereby authorised to take all necessary steps and actions, which are incidental and consequential to give effect to the above Resolution."
- To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meeting of Board and its Power) Rules, 2014 and any other Rules as applicable (including any Statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Members be and is hereby accorded, w.e.f. 1.4.2021, to fix the maximum limit of remuneration for Mr. Pranav V. Shriram, a relative of Mr. Vikram S. Shriram, Vice-Chairman and Managing Director of the Company, up-to Rs. 7.50 lakhs per month including salary, perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost to the Company in other cases), ex-gratia/rewards and all other benefits as applicable to officers in his cadre, with an authority to the Board of Directors or a Committee thereof to fix and revise his remuneration within the aforesaid limit, to promote him to a higher grade and/or change in designation, from time to time, as it may consider suitable without requiring any further Resolution or consent of or reference to the Members.

Resolved further that the Board of Directors or a Committee thereof or its other delegate, be and are hereby authorised to take all necessary steps and actions, which are incidental and consequential to give effect to the above Resolution."
- To consider and, if thought fit, to pass, the following Resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Act and subject to such other consents and permissions, as may be necessary, consent of the Members be and is hereby accorded to the re-appointment of Mr. K.K. Kaul, Whole Time Director (DIN : 00980318) on the terms and conditions including the remuneration as set out hereunder:

## Terms & Conditions of appointment

1. Tenure:- 2 years w.e.f. 2.7.2021

2. Remuneration

(a) Salary

Rs. 9.61 lakhs per month. The Board or any Committee thereof in its absolute discretion and from time to time will review the salary payable to Mr. K.K. Kaul.

(b) Perquisites

Perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost to the Company in other cases) including Leased & Company maintained furnished accommodation or house rent in lieu thereof, gas, electricity, water and furnishings, club fees, personal accident insurance, use of Company's car with driver & other expenses, telephone at residence, medical reimbursement, leave and leave travel concession, education benefits and any other benefits provided to the employee(s) of the Company from time to time, including but not limited to entitlements on account of any subsisting or future long term incentive plans, rewards, provident fund, superannuation fund and gratuity in accordance with the scheme(s) and rule(s) applicable to the members of the staff of the Company from time to time, in respect of any of such benefits.

(c) Commission on net profits

Such amount as may be decided by the Board of Directors or a Committee thereof from year to year provided that the total remuneration including salary and perquisites along with commission paid to all the Managing/Whole Time Directors of the Company shall not exceed the limit laid down under Sections 197 and 198 of the Companies Act, 2013 and other applicable provisions.

(d) Remuneration for a part of the Year

Remuneration for a part of the year shall be computed on pro-rata basis.

(e) Minimum Remuneration

In the event of absence or inadequacy of profits in any financial year, the aforementioned remuneration excluding commission shall be paid to Whole Time Director as the minimum remuneration, subject to necessary approvals, if any.

3. Functions

Mr. K.K. Kaul shall discharge such duties and functions as may be assigned to him by Chairman & Senior Managing Director and Vice Chairman & Managing Director of the Company from time to time.

4. Sitting Fee

If permissible by law and approved by the Board, Mr. K.K Kaul shall be entitled to sitting fee in addition to the components of remuneration mentioned above for attending meeting(s) of the Board of Directors or Committees thereof.

5. Termination

The appointment of Mr. K.K. Kaul may be terminated by either party giving to the other three calendar months' notice in writing.

Resolved further that the Board of Directors or a Committee thereof be and is hereby authorised to vary or modify any of the above terms & conditions including alter, vary or increase the salary, grade, designation and other remuneration, notwithstanding the same shall exceed the overall remuneration set out as above or as may be prescribed/permissible provided however that the same is within the limits laid down in the Schedule V than subsisting, without requiring any further resolution or consent of or reference to the Members and to take all necessary steps, actions, which are incidental and consequential to give effect to the above Resolution."

10. To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members be and is hereby accorded to re-appoint Justice (Retd.) Vikramajit Sen (DIN:00866743), who was appointed as Non-Executive Independent Director to hold office for a term of 5 years w.e.f. 9.8.2016 and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and who is eligible for re-appointment, as Non-Executive Independent Director of the Company to hold office for second term of 5 consecutive years w.e.f. 9.8.2021 at such remuneration including fees and commission as may be approved by Board/Committee from time to time within the limits prescribed under applicable laws.

Resolved further that the Board of Directors and/or any Committee of the Board or its other delegate be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

11. To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the



Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members be and is hereby accorded to re-appoint Mr. Pravesh Sharma (DIN:02252345), who was appointed as Non-Executive Independent Director to hold office for a term of 5 years w.e.f. 9.8.2016 and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, as Non-Executive Independent Director of the Company to hold office for second term of 5 consecutive years w.e.f. 9.8.2021 at such remuneration including fees and commission may be approved by Board/Committee from time to time within the limits prescribed under applicable laws.

Resolved further that the Board of Directors and/or any Committee of the Board or its other delegate be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

New Delhi

Date:- 4.5.2021

By Order of the Board

Sameet Gambhir

Company Secretary

Membership No.: F4658

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing norm to be followed and accordingly pursuant to the Circular No. 14/2020 dated April 08, 2020 and Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars, notifications, guidelines issued in this regard from time to time, the physical attendance of the Members at the AGM venue is not required as this AGM is being held through video conferencing (VC) or other audio visual means (OAVM). Hence, the Members are requested to attend and participate in the AGM through VC/OAVM. The deemed venue for this 32<sup>nd</sup> AGM shall be the Registered Office of the Company.
2. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
3. Since this AGM will be held through VC/OAVM and the physical presence of the Members has been dispensed with, the facility for appointment of Proxies by the Members is therefore not available and hence the Proxy Form and the Attendance Slip are not annexed to this notice. However, the Body Corporate shareholders are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.
4. Institutional/Body Corporate Shareholders (i.e. other than individuals/HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of its board of governing body resolution/authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through e-voting. The said resolution/authorization shall be sent in advance to the scrutinizer by e-mail through its registered e-mail address to [sanjaygrover7@gmail.com](mailto:sanjaygrover7@gmail.com) with a copy marked to [shares@dcmshriram.com](mailto:shares@dcmshriram.com).
5. Details under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (“SS-2”), in respect of the Directors seeking appointment/re-appointment at this AGM provided hereinafter form an integral part of the Notice. The Directors have furnished the requisite declarations in regard to their appointment.
6. In terms of the notification issued by the Securities and Exchange Board of India (SEBI), Equity Shares of the Company are under compulsory demat trading by all investors w.e.f. 21<sup>st</sup> March, 2000. Members are, therefore, advised to dematerialize their shareholding to avoid inconvenience of trading in the shares of the Company.
7. In Compliance with the aforesaid MCA Circulars and SEBI Circular dated January 15, 2021, Notice with explanatory statement, inter-alia explaining the manner of attending AGM through VC/OAVM and instructions for electronic voting (e-voting), of 32<sup>nd</sup> AGM of the Company along with the Annual Report 2020-21 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report will also be available on Company's website [www.dcmshriram.com](http://www.dcmshriram.com), website of the stock exchange i.e. BSE Limited and National Stock Exchange of India at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and also at the website of Company's RTA at <https://www.mcsregistrars.com>.
8. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. Since the AGM will be held through VC/OAVM, without the physical presence of Members at a common venue, the route map is not annexed to this Notice.
10. Members may note that the Board of Directors, in its meeting held on May 04, 2021 has recommended a final dividend of Rs.3.80 per share. The record date for the purpose of final dividend is July 9, 2021. The final dividend, if declared by the members in this AGM, will be paid within 30 days from the date of AGM, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out at their registered addresses.
11. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of shareholders with effect from April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The TDS rate may vary depending on the residential status of the

shareholder and the documents submitted to the Company in accordance with the provisions of the Act. Please note that the final dividend for the FY 2020-21 is subject to declaration by Members in the AGM to be held on 20<sup>th</sup> July 2021, If declared this dividend will be taxable in your hands in the FY 2021-22 (Assessment Year 2022-23). Thus, all the details and declarations furnished should pertain to FY 2021-22 (Assessment Year 2022-23). The rate of TDS for various categories of shareholders along with required documents are available at the website of the Company at <https://www.dcmshriram.com/Communication-of-TDS-on-Dividend.html>.

Kindly note that the aforesaid documents, duly executed, are required to be sent either through email at [shares@dcmshriram.com](mailto:shares@dcmshriram.com) or directly send the original to the Company at its registered office at 2<sup>nd</sup> Floor (West Wing), Worldmark-1 Aerocity, New Delhi – 110037 on or before 12<sup>th</sup> July, 2021 in order to enable the Company to determine and deduct appropriate TDS/withholding tax. Members sending documents through email are required to send the original documents later to the Company at its registered office address.

12. Members holding shares in physical form, are requested to intimate their change in Bank Mandate/National Electronic Clearing Service (NECS) details (form can be downloaded from the website of the Company i.e. [www.dcmshriram.com](http://www.dcmshriram.com)), and /or, update their PAN and Bank Account details through a request letter along with self attested copy of PAN, original cancelled cheque with preprinted name of the Shareholder (old and new both bank details) and bank attested copy of passbook/statement showing name of the account holder to M/s. MCS Share Transfer Agent Ltd., (Company's RTA) at their address at F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, New Delhi-110020. Beneficial owners holding shares in electronic form are requested to intimate their change in Bank Mandate/NECS details, if any, to their respective Depository Participants (DPs) in order to get the same registered.
13. Members, who are holding shares in physical/electronic form and their e-mail addresses are not registered with the Company/their respective Depository Participants, are requested to register their e-mail addresses at the earliest by sending to the Company/RTA, the scanned copy of a duly signed letter by the Member(s) mentioning their name, complete address, folio number, number of shares held, along with self-attested scanned copy of the PAN Card and self-attested scanned copy of any one of the following documents viz., Aadhar Card, Driving Licence, Election Card, Passport, utility bill or any other Govt. document in support of the address proof of the Member as registered with the Company, by email to [shares@dcmshriram.com](mailto:shares@dcmshriram.com) and/or [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com), for receiving the Annual Report for the FY 2020-21 and the Notice of 32<sup>nd</sup> AGM. However, please note that the updation/registration of email addresses on the basis of the above scanned documents will be only for the purpose of sending the Notice of 32<sup>nd</sup> AGM and Annual Report for 2020-21 and thereafter shall be disabled from the records of the RTA immediately after the 32<sup>nd</sup> AGM unless the hard copy of request letter along with the physical self attested copies of the aforesaid documents are received by the Company/RTA. Members holding shares in demat form can update their email address with their Depository Participants.
14. Members are required to register/update their e-mail addresses by sending a hard copy of duly signed letter along with physical self attested copies of the above documents to the RTA of the Company at its address mentioned in point no. 12 for receiving all the future communications including Annual Reports, Notices, Circulars, etc. from the Company electronically.
15. Members who are holding shares in physical form in more than one folio are requested to write to RTA enclosing their Share Certificate(s) to enable the Company to consolidate their holding into one folio.
16. In view of the provisions of Section 124 and other applicable provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") as amended from time to time, the Company has, during the Financial Year 2020-21, transferred the unpaid final dividend for the FY 2012-13 & unpaid Interim dividend for the FY 2013-14 to the Investor Education and Protection Fund (IEPF). The Company has also uploaded the details of unpaid and unclaimed dividend amounts lying as on date with the Company on the website of the Company ([www.dcmshriram.com](http://www.dcmshriram.com)). Members of the Company who have not yet encashed their Dividend for the financial year 2013-14 final dividend onwards are requested to write to the Company immediately as the said unclaimed dividend shall be transferred to IEPF immediately after the completion of 7 years from the date of transfer to Unpaid Dividend Account by the Company.  
Further, according to the above mentioned Rules, 49,941 Equity Shares in respect of which dividends have not been paid or claimed by the Members for a period of seven consecutive years has been transferred to a Demat Account of the Investor Education and Protection Fund (IEPF) Authority during the FY 2020-21.
17. The above details have also been uploaded on the website of the IEPF authority i.e. [www.iepf.gov.in](http://www.iepf.gov.in). Members may also note that dividend as well as shares transferred to IEPF Authority can be claimed back as per the procedure prescribed.
18. In terms of Section 72 of the Companies Act, 2013 and related Rules thereunder, Member(s) of the Company may nominate a person to whom the Shares held by him/her shall vest in the event of his/her death. Member(s) desirous of availing this facility may submit nomination in the prescribed Form SH-13 to the Company/RTA in case shares are held in Physical form, and to their respective DPs, if held in electronic form.
19. Appointment/Re-appointment of Directors

The brief resume and other information as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings, in relation to the appointment/re-appointment of Directors is as under:

Name of the Director	Mr. Ajit S. Shriram	Mr. K.K. Kaul	Mr. K.K. Sharma	Justice (Retd.) Vikramajit Sen	Mr. Pravesh Sharma	Ms. Sarita Garg
Date of Birth & Age	03.10.1967 (53 Years)	30.03.1950 (71 Years)	17.10.1965 (55 Years)	31.12.1950 (70 Years)	07.07.1959 (61 Years)	31.08.1962 (58 Years)
Nationality	Indian	Indian	Indian	Indian	Indian	Indian
Date of first Appointment on the Board of the Company	02.05.2001	02.07.2014	20.11.2017	09.08.2016	09.08.2016	20.10.2020
Qualification	B.Com., MBA	BE in Chemical Engineering and Doctorate Degree in Human Letters	B. Tec Chemical Technology & PDIS (Post Diploma Industrial Safety)	LL.B	IAS (Retd.)	Science graduate & PGEP
Experience	30 Years	47 Years	31 Years	46 Years	38 Years	32 Years
Expertise in Functional Areas	General Management, Strategy, Finance, GRC, Agri Businesses, Sugar, and Chloro Vinyl Business	General Management, Project Management Procurement and Supply Chain management, Setting up/ Operation of Fertilizer, Chemicals, Petrochemicals Cement process plants and Human Resource Management	Environment Health and Safety, Agrochemicals and Pharmaceuticals manufacturing	Civil & Commercial matters and Arbitration	Food Security Agriculture, Rural finance, Rural development and Natural Resources Management	Administration, Governance, Group Insurance and information Technology
Directorships held in other Companies	<ul style="list-style-type: none"> <li>- DCM Shriram Credit and Investments Ltd.</li> <li>- Shriram Bioseed Ventures Ltd.</li> <li>- Hariyali Rural Ventures Ltd.</li> <li>- Fenesta India Ltd.</li> <li>- Hariyali Kisaan Bazaar Ltd.</li> <li>- DCM Shriram Infrastructure Ltd.</li> <li>- DCM Shriram Foundation</li> <li>- Shridhar Shriram Foundation</li> <li>- SRCC Development Foundation</li> </ul>	<ul style="list-style-type: none"> <li>- The Fertilizer Association of India</li> <li>- DCM Shriram Aqua Foods Ltd.</li> <li>- Shriram Axiall Private Ltd.</li> <li>- DCM Shriram Foundation</li> </ul>	<ul style="list-style-type: none"> <li>- Shriram Axiall Private Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>- BSE Limited (L)</li> </ul>	<ul style="list-style-type: none"> <li>- Shambhavi Tech Farms Private Ltd.</li> <li>- Kamatan Farm Tech Ltd.</li> <li>- Samunnati Agro Solutions Private Ltd.</li> </ul>	NIL

Name of the Director	Mr. Ajit S. Shriram	Mr. K.K. Kaul	Mr. K.K. Sharma	Justice (Retd.) Vikramajit Sen	Mr. Pravesh Sharma	Ms. Sarita Garg
	- Indian Sugar Exim Corporation Ltd. - Ajit Shriram Facilities Private Ltd.					
Chairman/ Member of the Committee(s) of the Board of Directors of the Company and other entities	DCM Shriram Ltd. Member - Board Finance Committee - Corporate Social Responsibility Committee - Stakeholders' Relationship Committee	DCM Shriram Ltd. Chairman - Board Risk Management Committee Member - Board Finance Committee	DCM Shriram Ltd. Member - Board Risk Management Committee	DCM Shriram Ltd. Member - Corporate Social Responsibility Committee BSE Ltd. Chairman - Selection Committee Member - Regulatory Oversight Committee - Standing Committee and Technology - Risk Management Committee	DCM Shriram Ltd. Member - Audit Committee - Corporate Social Responsibility Committee	-
Number of shares held in the Company	595580	59000	NIL	NIL	NIL	NIL
Last Drawn Remuneration (per annum)	878.75 Lakhs	252.58 Lakhs	100.01 Lakhs	35.00 Lakhs	50.00 Lakhs	30.00 Lakhs
Number of Board Meetings attended during the year	6	6	6	5	6	2
Relationship with other Directors, Manager and other Key Managerial Personnel	Brother of Mr. Ajay S. Shriram and Mr. Vikram S. Shriram	NIL	NIL	NIL	NIL	NIL
Terms and Conditions of Appointment/ re-appointment	The terms and conditions of Appointment/re-appointment are given in the proposed resolutions and explanatory statement of this Notice.					

*L stands for Listed Companies.*

*\* Paid to LIC of India*




20. In case of joint members attending the AGM, only such joint holder who is higher in the order of names will be entitled to e-vote.
21. Relevant documents referred to in the Annual Report including AGM Notice and Explanatory Statement are available for inspection through electronic mode, basis the request being sent on [shares@dcmshriram.com](mailto:shares@dcmshriram.com).
22. Members seeking any information with regard to the accounts or any other matter to be placed at the AGM, are requested to write to the Company latest by 15.07.2021 through email at [shares@dcmshriram.com](mailto:shares@dcmshriram.com). Such questions shall be taken up during the meeting or replied within 7 days from the date of AGM by the Company suitably.
23. Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and client ID/Folio no, No. of shares, PAN, mobile number at [shares@dcmshriram.com](mailto:shares@dcmshriram.com) on or before 15.07.2021. Those Members, who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.
24. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned hereinafter. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors and the Chairperson of the Audit Committee, NRC Committee and Stakeholders Relationship Committee, who are allowed to attend the AGM without restriction on account of first come first served basis.
25. During the AGM, Members may access the scanned copy of (i) Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act; (ii) the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act; (iii) certificate by the Statutory Auditors of the Company on the implementation of the DCM Shriram Employee Stock Purchase Scheme as required under Regulation 13 of the SEBI (Share Based Employee Benefits) Regulations, 2014, and (iv) any other documents as may be required, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com> under the head AGM Docs.
26. Instructions for e-voting and joining the AGM are as follows:
  - A. Voting through electronic means
    - I. In compliance with provisions of Section 108 of the Companies Act, 2013 ("the Act") and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended up to date and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to the Members to cast their votes, on the Resolutions proposed to be considered at AGM, by electronic voting system from a place other than venue of the AGM ("remote e-voting") arranged by National Securities Depository Limited (NSDL).
    - II. The remote e-voting period shall commence on 17.7.2021(9.00 A.M.) and ends on 19.7.2021(5.00 P.M.). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e.13.7.2021, may cast their vote by remote e-voting. The said remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
    - III. Those Members who will be attending/participating in the AGM through VC/OAVM facility and have not cast their vote(s) on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
    - IV. The Members who have cast their vote by remote e-voting prior to the AGM may also attend and participate in the AGM through VC/OAVM means, but shall not be entitled to cast their e-vote again.
    - V. Mr. Devesh Kumar Vasisht (M. No.: F8488, CP No. 13700), Partner, M/s. Sanjay Grover & Associates, Company Secretaries failing him, Ms. Priyanka (M. No.: F10898, CP No. 16187), Partner, M/s. Sanjay Grover & Associates, Company Secretaries has been appointed as Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.
    - VI. The manner and process of remote e-Voting are as under:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> <li>5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div data-bbox="395 1276 831 1538" style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is In300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [shares@dcmshriram.com](mailto:shares@dcmshriram.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [shares@dcmshriram.com](mailto:shares@dcmshriram.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of DCM Shriram Ltd. to cast your vote during the remote e-Voting period or casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

- I. In case of any queries/grievance, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Mr. Amarjit, Senior Manager at 011-41406148 (E-mail : [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)) or Mr. Amit Mehra, Addl. Manager (Co. Law)/ Mr. Vipul Jain, Sr. Manager (Co. Law) at 011-42100200 (E-mail : [shares@dcmshriram.com](mailto:shares@dcmshriram.com)). If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990. The Individual Shareholders holding securities in demat mode, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
- II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- III. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 13.7.2021.
- IV. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 13.7.2021, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Registrar and Transfer Agent (RTA) of the Company. The Individual Shareholders holding securities in demat mode, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
- V. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting at the AGM and a person who is not a Member as on the cut-off date i.e. 13.7.2021, should treat this Notice for information purposes only.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.



3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**B. e-voting result**

1. The Scrutinizer shall immediately after the conclusion of e-voting at the AGM, unblock the votes cast through remote e-voting and e-vote cast during AGM and will make, not later than 48 hours from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
2. The Results declared along with the report of the Scrutinizer will be placed on the website of the Company [www.dcmshriram.com](http://www.dcmshriram.com) and on the website of NSDL at <https://www.evoting.nsdl.com> immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results will also be immediately submitted to the BSE Limited, Mumbai & The National Stock Exchange of India Ltd., Mumbai.

**Other instructions**

Please note that:

- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- Your login ID and password can be used by you exclusively for e-voting on the Resolutions placed by the companies in which you are the Shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

**ITEM NO. 5**

The Board of Directors ("The Board"), on the recommendation of the Audit Committee, had approved the appointment of M/s. J.P. Sarda & Associates, Cost Accountants, Kota (FRN: 000289) and M/s. Yogesh Gupta & Associates, Cost Accountants, New Delhi (FRN: 000373) to audit the cost accounting records of the Company at a total remuneration upto Rs.4.35 Lakhs plus applicable taxes and out of pocket expenses, if any, for the F.Y. 2020-21.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable/paid to the Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, based on recommendation of Board, the confirmation of the Members is being sought by passing an Ordinary Resolution as set out at Item No.5 of the Notice for ratification of the remuneration payable/paid to the Cost Auditors for the financial year 2020-21.

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.

**ITEM NO. 6**

After the retirement of Mr. Sharad Shrivastva (earlier nominee of LIC of India on the Board of the Company) from LIC of India, he has resigned from the directorship of the Company w.e.f. 7.8.2020. Thereafter, LIC of India had nominated Ms. Sarita Garg as its nominee on the Board of the Company. Ms. Garg (DIN : 08926869) was then appointed by the Board on 20.10.2020 as an Additional Director to hold office till the date of this AGM.

Ms. Garg is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company. The NRC Committee of the Board of Directors has recommended her appointment as Director.

Her brief resume and other details as required under the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, is provided in the Notes.

Except Ms. Sarita Garg and her relatives, no other Director/ Key Managerial Personnel of the Company/their relatives, is concerned or interested in the Resolution.

The Board hereby recommends the Ordinary Resolution as set out at Item No.6 of the Notice for approval by the Shareholders.

**ITEM NO.7**

The Members in their AGM held on 18.8.2015 had approved the fixation of the maximum limit of remuneration for Mr. Anand A. Shriram upto Rs.7.50 lacs per month and within that limit his remuneration was determined and fixed from time to time by the NRC Committee and Board.

Mr. Anand A. Shriram, completed his Bachelor of Economics from Southern Methodist University, Dallas, TX, USA in the year 2009 and Bachelor of Business Administration from Amity University, Noida. He has also done a Course in Business Development and IT Innovation from the prestigious London School of Economics.

Presently Sr. Vice President in SFS Business of the Company, he joined the Organisation in 2010 as Officer. He went through an extensive process of orientation and learning on the job at Kota in the commercial functions and subsequently handled responsibilities in the Plastics business. He made some useful contributions in the course of his two years stint at Kota.

Mr. Anand A. Shriram thereafter joined the SFS business of the Company in Dec 2017. After initially focusing on growth of Research Wheat, Hybrid Seeds business and Business Development initiatives, he took over responsibility of the entire Seeds Business at SFS in Feb 2019.

He has been instrumental in delivering aspirational growth in the Seed business. In the last 2 years, the seed business has grown around 1.5 times (Rs.318 cr to Rs.473 cr) and the bottom line has grown around 2 times (Rs.42 cr to Rs.80 cr).

Mr. Anand A. Shriram has specifically contributed to strengthening Research & Development, building Strategic Alliances and creating a long term vision for the Seed business. Besides this, he has been playing an active role in scanning the Agri-tech space and building strategic associations with new-age e-commerce start-ups.

As recommended by NRC Committee and the Board, It is now proposed to revise (after a period of approx 6 years) the said maximum limit of remuneration for Mr. Anand A. Shriram, within which his remuneration will be fixed from time to time by the Board or its Committee

The proposed resolution requires the approval of members, pursuant to section 188 of the Companies Act, 2013.

Except Mr. Ajay S. Shriram (father of Mr. Anand A. Shriram) and his relatives, no other Director/Key Managerial Person(s) or their relative(s) is concerned or interested in the Resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 7 of the Notice for approval by the Members.

#### ITEM NO. 8

Mr. Pranav V. Shriram, completed his MSc Innovation and Entrepreneurship from the University of Warwick, United Kingdom in 2016. He has also done his BSc in Business Management from Cardiff University, United Kingdom in 2015 and an International Baccalaureate Diploma from The Shri Ram School.

Presently Dy. General Manager, Mr. Pranav V. Shriram joined the the Company in 2016 as Management Trainee. He thereafter moved to the Fenesta business of Company in 2018 after a successful stint as a member of the ASTRA team at the Corporate Office. His primary role after joining Fenesta business was as a key member of the project team responsible for starting of the Aluminium Operations and was then designated as Sr. Manager – Aluminium Operations. He took part in various strategic and operational initiatives and programs as part of his role.

He is currently working on Digital Transformation of Fenesta Business from June, 2020. In this role, he is contributing immensely by continuously exploring opportunities for simplification / automation and digitization of both front end and back end processes and working on the shortlisted initiatives, which in turn helps in increasing volumes, improving customer satisfaction and optimising costs and resources.

He along with his team has successfully rolled out Knowledge Management Portal which is helping the sales team to improve their effectiveness on the field. The Digital Transformation Team has also implemented many other solutions in the Fenesta business such as Automated Workflow Systems, Plant Maintenance Module, etc. apart from enhancing the effectiveness of already deployed IT solutions. The team is further working on taking up more initiatives in the field of Artificial Intelligence and Machine Learning as well.

As recommended by NRC Committee and the Board, it is proposed to fix the maximum limit of remuneration for Mr. Pranav V. Shriram, within which his remuneration will be fixed from time to time by the Board or its Committee.

The proposed resolution requires the approval of members, pursuant to section 188 of the Companies Act, 2013.

Except Mr. Vikram S. Shriram (father of Mr. Pranav V. Shriram) and his relatives, no other Director/Key Managerial Person(s) or their relative(s) is concerned or interested in the Resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 8 of the Notice for approval by the Members.

#### ITEM NO. 9

Mr. K.K. Kaul (DIN : 00980318), Whole Time Director of the Company having total experience of 47 years joined the Company in 1980 as Asst. Plant Superintendent. He joined the Company in 1980. He is a First class First (Honors) graduate in Chemical Engineering and has been awarded Doctorate Degree in Human Letters (Honoris Causa) by Vardhaman Mahavir Open University, Kota. He has done an Integrated Management Development course at Administrative Staff College, Hyderabad and the Executive Programme from Darden Graduate School of Business Administration, University of Virginia, USA. He is also Chairman of Risk Management Committee and a Member of Board Finance Committee of the Company.

The Members in their AGM held on 23.7.2019 had approved his re-appointment for a period of upto 2 years w.e.f. 2.7.2019. His existing term expires on 1.7.2021. The NRC Committee and Board have recommended his re-appointment for a further period of 2 years w.e.f. 2.7.2021, for the approval of Members.

Mr. Kaul has got a wide experience in the erection, commissioning, operation, maintenance and management of Power, Fertiliser, Cement, Chemical and Petrochemical Plants. He has made remarkable contributions in the energy efficiency improvement measures, as well as troubleshooting of process at plants. He has been continuously working to ensure sustainable development of the complex at Kota. The Kota integrated complex as well as the Bioseed business of the Company is substantially under supervision and control of Mr. Kaul. He has travelled extensively all over the world and has shared his experiences through interactions with technical experts in various conferences. He has been instrumental in improving overall safety and sustainability performance. In his role as Whole Time Director he contributes immensely not only to the growth of Organsiation but also extend support and help to other Board Members as and when required. The Company gets extremely benefit from his insights and global perspective.

His brief resume and other details as required under the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, is provided in the Notes.

Mr. K.K. Kaul is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Except Mr. K.K. Kaul and his relatives, no other Director/Key Managerial Person(s) or their relative(s) is concerned or interested in the Resolution.

The Board recommends the Special Resolution as set out at Item No.9 of the Notice for the approval by the Members.

#### ITEM NO. 10

Justice (Retd.) Vikramajit Sen (DIN:00866743) was appointed as Non Executive Independent Director for a period of five consecutive years w.e.f. 9.8. 2016.

The NRC Committee of the Board of Directors has recommended re-appointment of Justice (Retd.) Vikramajit Sen as Non Executive Independent Director for a second term of 5 (five) consecutive years w.e.f. 9.8.2021 on the Board of the Company.

Justice (Retd.) Vikramajit Sen is also a Member of Corporate Social Responsibility Committee of the Company. He is a retired Judge of Supreme Court of India. He graduated in History with Honours from St. Stephen's College. He attained First Division in LL.B. from Faculty of Law, Delhi University. He has a rich experience of 40 Years. He is the Chairman of the Board of Directors of the Bombay Stock Exchange (BSE). He possesses expertise in Civil & Commercial Legal Matters and Arbitration.

The Board, based on the performance evaluation and as per the recommendation of the NRC Committee, considers that, given his background and experience and contributions as board member and member of CSR Committee made by him during his tenure, the continued association of Justice (Retd.) Vikramajit Sen would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

Accordingly, it is proposed to re-appoint Justice (Retd.) Vikramajit Sen as Non Executive Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years w.e.f. 9.8.2021 on the Board of the Company.

Justice (Retd.) Vikramajit Sen is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declaration from Justice (Retd.) Vikramajit Sen that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Justice (Retd.) Vikramajit Sen fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations.

His brief resume and other details as required under the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, is provided in the Notes.

Justice (Retd.) Vikramajit Sen is independent of the management. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board/Committee, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act and other applicable provisions of the Act and any other laws.

Members seeking any information with regard to the draft terms and conditions of his appointment are requested to write to the Company through email on [shares@dcmshriram.com](mailto:shares@dcmshriram.com).

Except Justice (Retd.) Vikramajit Sen and his relatives, no other Director/Key Managerial Person(s) or their relative(s) is concerned or interested in the Resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends the Special Resolution as set out at Item No. 10 of the Notice for the approval by the Members.

#### ITEM NO. 11

Mr. Pravesh Sharma (DIN:02252345) was appointed as Non Executive Independent Director for a period of five consecutive years w.e.f. 9.8. 2016.

The NRC Committee of the Board of Directors has recommended re-appointment of Mr. Pravesh Sharma as Non Executive Independent Director for a second term of 5 (five) consecutive years w.e.f. 9.8. 2016 on the Board of the Company.

Mr. Pravesh Sharma is a Member of Audit Committee and Corporate Social Responsibility Committee of the Company. He has an overall working experience of more than 30 years in food security, agriculture, rural finance, rural development and natural resources management. He has served on a five-year UN assignment (2001-2006) with the International Fund for Agriculture Development. During his tenure he worked for 3 years in the Prime Minister's Office.

The Board, based on the performance evaluation and as per the recommendation of the NRC Committee, considers that, given his background and experience and contributions made by him as Board Member, Audit Committee member and member of CSR Committee during his tenure, the continued association of Mr. Pravesh Sharma would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

Accordingly, it is proposed to re-appoint Mr. Pravesh Sharma as Non Executive Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years w.e.f. 9.8. 2021, on the Board of the Company.

Mr. Pravesh Sharma is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declaration from Mr. Pravesh Sharma that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Pravesh Sharma fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations.

His brief resume and other details as required under the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, is provided in the Notes.

Mr. Pravesh Sharma is independent of the management. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board/Committee, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act and other applicable provisions of the Act and any other laws.

Members seeking any information with regard to the draft terms and conditions of his appointment are requested to write to the Company through email on [shares@dcmshriram.com](mailto:shares@dcmshriram.com).

Except Mr. Pravesh Sharma and his relatives, no other Director/Key Managerial Person(s) or their relative(s) is concerned or interested in the Resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends the Special Resolution as set out at Item No. 11 of the Notice for the approval by the Members.

New Delhi

Date:- 4.5.2021

By Order of the Board

Sameet Gambhir

Company Secretary

Membership No.: F4658



**DCM SHRIRAM**

Growing with trust

**WE EARN  
TRUST.  
EVERYTHING  
FOLLOWS.**

*Growth is not the first reason for our existence. It is a by-product of trust. And that is what we at DCM Shriram have made the primary objective of our pursuit. Earned and nurtured over decades, it has become the bedrock of every business, every transaction and every interaction that we are partner to. It is an old-world value that has not just helped us emerge stronger in the past, but is constantly helping us prepare for the future. It is through winning trust of everyone we touch, that we have been able to diversify and succeed across verticals – manufacturing, agriculture, chemicals and consumer products. That we are poised to expand, grow and evolve, is also for the same reason. And even as we do, we know that what we are really growing in – and with – is trust.*

**DCM SHRIRAM LTD.**

**Agri-Rural Business | Chlor-Vinyl Business | Value Added Business**

Shriram Fertilisers & Chemicals • Shriram Alkali & Chemicals • DCM Shriram Sugar • Bioseed  
• Fenesta Building Systems • Shriram Cement • Shriram Axiall

[www.dcmshriram.com](http://www.dcmshriram.com)

