



**DCM SHRIRAM**

Growing with trust

DCM SHRIRAM LTD.

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# Corporate Information

## Registered Office

DCM Shriram Limited  
(Formerly DCM Shriram Consolidated Limited)  
CIN – L74899DL1989PLC034923  
5<sup>th</sup> Floor, Kanchenjunga Building,  
18, Barakhamba Road,  
New Delhi – 110 001.  
Tel. No. : (91) 11-23316801  
Fax No. : (91) 11-23318072  
Email : response@dcmsshriram.com  
Website : www.dcmsshriram.com

## Bankers

Punjab National Bank  
State Bank of India  
Bank of Baroda  
Oriental Bank of Commerce  
HDFC Bank Limited  
Standard Chartered Bank  
ING Vysya Bank Limited  
DBS Bank Limited

## Statutory Auditors

M/s. Deloitte Haskins & Sells,  
Gurgaon (Haryana)

## Cost Auditors

M/s. Bahadur Murao & Company,  
New Delhi  
M/s. J.P. Sarda & Associates,  
Kota (Raj.)

## Board of Directors

Shri Ajay S. Shriram  
*Chairman & Senior Managing Director*  
Shri Vikram S. Shriram  
*Vice Chairman & Managing Director*  
Shri Ajit S. Shriram  
*Joint Managing Director*  
Shri K.K. Kaul  
*Whole Time Director*  
Dr. N.J. Singh  
*Whole Time Director (EHS)*  
Dr. S.S. Baijal  
Shri Arun Bharat Ram  
Shri Pradeep Dinodia  
Shri Vimal Bhandari  
Shri Sunil Kant Munjal  
Shri D. Sengupta  
Smt. Ramni Nirula  
Shri Sharad Shrivastva  
*LIC Nominee*

## Company Secretary

Shri Sameet Gambhir

## Audit Committee

Dr. S.S. Baijal  
*Chairman*  
Shri Arun Bharat Ram  
Shri Pradeep Dinodia  
Shri D. Sengupta

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

National Stock Exchange of India Ltd.  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C-1, Block-G,  
Bandra – Kurla Complex, Bandra (East),  
Mumbai-400 051.

BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001.

*(It is confirmed that annual listing fee for the financial year 2015-16 has been paid by the Company to the above Stock Exchanges.)*



### *Dear Friends,*

We are happy to report satisfactory financial results for the year. The external environment has been challenging with sharp drop in prices of Chemicals, Plastics and Cement in H2 '15. Sugar business is witnessing record –ve margins with sharp drop in prices due to the oversupply situation. The Farm Inputs business experienced challenges due to deficient monsoon.

We are alive to this situation and are taking several steps to mitigate the effects thereof to the extent possible. Cost control continues to be a focus area across all our businesses, specially the commodity businesses.

In Sugar it is important for the Govt. to set a fair and viable regulatory framework, for which the industry is pursuing with the Govt. We continue to work extensively with farmers and are ensuring timely payments for improving the quantity and quality of cane supplies.

Bioseed, Fenesta and Farm Solutions are focusing on high turnover growth with deeper customer engagement, wider product portfolio and extended geographic reach. We are confident of continuous growth in these businesses over the medium term.

We have taken up expansion of Chlor Alkali capacity by 465 TPD (from 780 TPD to 1245 TPD) with corresponding addition of 60 MW of power generation capacity. In the Sugar business we are expanding power co-generation capacity by 17 MW. These projects are estimated to cost

Rs. 659 crores, to be completed by H2 '17 and will strengthen our cost competitiveness and provide volume / profit growth.

Our Employees are our assets and have been instrumental in driving the Company's performance year on year. The Company has always striven to offer a positive, supportive, open and high performance work culture where innovation and risk taking is encouraged, performance is recognized and employees are motivated to realize their true potential.

Your company remains committed towards ensuring highest standards of Corporate Governance. We continue to adopt best practices to ensure highest levels of accountability and transparency.

As a responsible corporate citizen, we understand the need to give back to society. We are actively engaged in initiatives in the areas of education, health, infrastructure etc. and remain committed to meaningfully contribute to the society.

We would like to take this opportunity to thank all our stakeholders – members of the board, business associates, employees, suppliers, government agencies, lenders and shareholders – who have contributed to the growth and development of our company over the years. Their continued support motivates us to create superior value in future for all our stakeholders.

With best wishes,



(Vikram S. Shriram)  
*Vice Chairman &  
Managing Director*



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

## Our Businesses

### 1. Chloro-Vinyl Businesses:

- i. **Chlor- Alkali:** DCM Shriram's Chlor-Alkali business comprises Caustic Soda (Lye and flakes), Chlorine and associated chemicals including Hydrochloric acid, Stable Bleaching powder, Compressed Hydrogen and Sodium Hypochlorite. The Company's manufacturing facilities at Kota (Rajasthan) and Bharuch (Gujarat) are backed by full coal based captive power. The Company's total Chlor-Alkali capacity stands at 780 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.

### 2. Agri-Input Businesses:

- i. **Fertilizer:** The Company operates the dual feed naphtha/LNG based Urea plant with a capacity of 3.79 lakh T.P.A., at its integrated manufacturing facility at Kota. The plant is currently operating on 100% Natural Gas.
  - ii. **Shriram Farm Solutions:** This business provides a complete basket of Agri-inputs, viz. Bulk fertilizers, Micro-nutrients, Hybrid seeds, Pesticides and other Value added products, through its wide distribution network. The business also provides high quality agronomy services aimed at increasing farmer productivity.
  - iii. **Bioseed:** Bioseed business is present across the entire value chain, i.e. Research, Production, Processing, Extension activities and Marketing with significant presence in India, Philippines and Vietnam. The Company is present in both Field and Vegetable Crops in India. In Philippines and Vietnam the business is present primarily in Corn. The Company has started commercial operations for a Corn hybrid in Indonesia.
3. **Sugar:** Sugar business comprises 4 plants in Central U.P. with an aggregate capacity of 33,000 TCD. The business is supported by a Co-gen power capacity of 94.5 MW.
  4. **Cement :** The company's cement business is located at its Kota plant with a manufacturing capacity of 0.4 Mn MT. The cement business leverages the waste generated from the Calcium Carbide production process.
  5. **Fenesta Building Systems** manufactures UPVC windows (Un-plasticized PVC) and door systems under the brand "Fenesta". The business offers complete solutions starting from manufacturing, Design, Fabrication to Installation at the customer's site. As a part of its marketing initiatives, the business has set up self-owned Fenesta branded showrooms in nine cities across India.
  6. **Hariyali Kisaan Bazaar:** The Company has rationalized this business and discontinued the retail operations except for sale of fuel.
- ### 7. Other Businesses:
- i. **PVC Compounding:** The business operates under a 50:50 Joint Venture with Axiall LLC (subsidiary of Axiall Corporation – a leading international manufacturer of Chloro-Vinyl) w.e.f April 2014. The Capacity of this Business stands at 32,564 MT p.a
  - ii. **Textiles:** The Company sold off its textile business that comprised a 14,544 spindles spinning unit at Tonk in Rajasthan.

## Financial Highlights

(Rs. Crores)										
Financial Highlights										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Sales										
- Own Products	1735.1	1945.8	2210.9	2711.3	2571.5	2538.8	3212.2	3833.7	4172.1	3913.1
- Traded	656.8	821.5	363.0	789.5	947.7	1595.7	1794.1	1683.2	1986.9	1693.2
- Total	2391.9	2767.4	2573.9	3500.8	3519.2	4134.5	5006.2	5516.9	6159.0	5606.3
PBDIT #	295.1	239.6	218.0	400.3	367.6	231.9	364.8	574.1	558.9	450.3
Finance Cost	49.4	79.1	87.6	150.4	88.6	103.9	160.3	154.8	148.6	111.8
PBDT	245.7	160.5	130.4	249.9	279.0	128.0	204.5	419.2	410.3	338.6
Depreciation & Misc. exp. w/off	73.2	93.4	123.7	148.7	163.0	160.0	156.9	146.8	137.9	110.2
PBT	172.5	67.1	6.7	101.1	116.1	-32.0	47.6	272.5	272.4	228.4
Exceptional Items			779.6		6.5		-38.1	-53.6		
Profit After Tax*	121.0	43.4	-1.3	122.6	84.3	-14.3	11.9	202.9	242.4	210.8
Cash Profit**	226.6	160.2	126.6	241.9	267.8	125.5	202.9	406.3	360.4	318.8
Share Capital - Equity	33.3	33.3	33.3	33.3	33.3	33.3	33.3	33.3	32.8	32.6
Net Worth	525.5	554.1	1149.3	1268.5	1329.6	1306.4	1315.2	1495.4	1686.6	1858.5
Deferred Tax liability	146.7	170.1	171.2	143.9	176.3	156.1	152.1	155.1	135.2	122.0
Long Term Loans	740.2	789.5	991.0	1234.4	1090.0	919.6	965.7	836.7	746.4	421.0
Short Term Loans	344.9	757.7	792.5	752.7	370.9	771.6	852.7	720.4	430.9	338.9
Total Loans (Gross)	1085.1	1547.2	1783.4	1987.1	1460.9	1691.3	1818.4	1557.1	1177.3	759.8
Total Loans (Net)	1085.1	1547.2	1755.6	1943.1	1503.1	1685.0	1571.3	1435.9	683.1	688.3
Total Assets	2369.4	3191.1	3634.3	4042.7	3654.2	3885.9	4628.6	4751.2	4852.3	4416.7
Earnings per share (Rs.) ***	7.1	2.6	-0.1	7.4	5.1	-0.9	2.6	15.3	14.6	13.0
Dividend per share (Rs.)***	0.9	0.8	3.3	0.8	0.8	0.4	0.4	1.6	2.0	2.2
Ratios										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Return on Net Worth (%)	25.0	8.0	-	10.1	6.5	-	0.9	14.4	15.2	11.9
Operating Margin (%)	12.3	8.7	8.5	11.4	10.4	5.6	7.3	10.4	9.1	8.0
PAT to Net Sales (%)	5.1	1.6	-	3.5	2.4	-	0.2	3.7	3.9	3.8
Total Loans (Gross)/PBDIT	3.7	6.5	8.2	5.0	4.0	7.3	5.0	2.7	2.1	1.7
Total Loans (Gross)/Net Worth	2.1	2.8	1.6	1.6	1.1	1.3	1.4	1.0	0.7	0.4

- Figures are based on consolidated financials.
- \*Profit for the year 2008 is before exceptional items.
- \*\* Cash Profits are before exceptional items.
- \*\*\*On face value of Rs. 2 per share Post Bonus and Split of shares in 2006

# 05

## Our Core Values and Beliefs

Our Core Values and beliefs are rooted in our heritage and reflect our conviction to build a vibrant, growing and resilient Organization:

### Agility & Execution

- Be agile with focus on results & deliverables
- Make continuous improvement a way of life, drive performance and accountability

### Deliver Value

- Listen to the voice of the customer and all stake holders, gather insights and respond to the changing needs
- Build trust and long-term relationship by consistently providing superior value

### Openness & Learning

- Build a strong outside-in perspective to acquire new skills, technologies and competencies
- Nurture and empower talent, foster collaborative working

### Respect & Human Dignity

- Nurture understanding, empathy, care and trust in all relationships
- Value fairness and dignity, treat everyone with respect

### Governance & responsibility

- Conduct ethically with highest standards of credibility and integrity
- Be socially responsible, addressing the needs of the community and environment



## Brief Profile of the Directors of the Company

**Shri Ajay S. Shriram**, Chairman & Senior Managing Director (DIN No. 00027137), is a Director of the Company since 24.7.1989. 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 is the Chairman of the Governing Body of Shriram College of Commerce and immediate past President of Confederation of Indian Industry (CII). He has also been the President & Chairman of International Fertilizer Industry Association (IFA), Paris. He is the Chairman of Corporate Social Responsibility Committee & Board Finance Committee and the Member of Nomination, Remuneration & Compensation Committee and Stakeholders Relationship Committee of the Company.

**Shri Vikram S. Shriram**, Vice Chairman & Managing Director (DIN No. 00027187), is a Director of the Company since 22.5.1990. 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. He is the Member of Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Board Finance Committee of the Company.

**Shri Ajit S. Shriram**, Joint Managing Director (DIN No. 00027918), is a Director of the Company since 2.5.2001. He joined the Company in 1991 as an Executive after graduating in Commerce from Osmania University, Hyderabad. Later, he obtained an M.B.A. Degree from the International Institute for Management Development, Switzerland. He has been the President of the Indian Sugar Mills Association (ISMA). He is the Member of Corporate Social Responsibility Committee of the Company.

**Shri K.K. Kaul**, Whole Time Director (DIN No. 00980318), is a Director of the Company since 2.7.2014. 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 in the year 1989-90 and the Executive Programme, in 2000 from Darden Graduate School of Business Administration, University of Virginia, USA.

**Dr. N.J. Singh**, Whole Time Director (EHS) (DIN No. 01893202), is a Director of the Company since 20.11.2007. He joined the Company in 1983 as Pollution Control Engineer. He holds M.Sc., Ph.D. degrees and had worked as DGM (Tech Services), General Manager (EHS) with the Company at Kota and Chief Executive, Shriram Environment & Allied Service at Gurgaon.

**Dr. S.S. Bajjal** is a Non-Executive Director (DIN No. 00027961) of the Company since 22.5.1990. He retired as the Chairman of ICI Group Companies in India in 1987. He holds B.Sc., M.Sc., D.Phil Degrees. He is the Chairman of the Board Audit Committee and Nomination, Remuneration & Compensation Committee and the Member of Stakeholders Relationship Committee and Board Finance Committee of the Company.

**Shri Arun Bharat Ram** is a Non-Executive Director (DIN No. 00694766) of the Company since 22.5.1990. He is the Chairman of SRF Ltd. and Essilor India Pvt. Ltd. He graduated in Industrial Engineering from the University of Michigan, U.S.A. He has been the President of Confederation of Indian Industry (CII). He is the Member of Board Audit Committee of the Company.

**Shri Pradeep Dinodia** is a Non-Executive Director (DIN No. 00027995) of the Company since 18.7.1994. 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 senior partner in the Delhi-based Chartered Accountancy firm M/s. S.R. Dinodia & Co. LLP. He is the Chairman of Stakeholders Relationship Committee and the Member of Board Audit Committee, Nomination, Remuneration & Compensation Committee and Corporate Social Responsibility Committee of the Company.

**Shri Vimal Bhandari** is a Non-Executive Director (DIN No. 00001318) of the Company since 13.5.2003. He graduated in Commerce from Sydenham College, University of Mumbai and is a Member of The Institute of Chartered Accountants of India. He is currently serving as Managing Director & CEO of Indostar Capital Finance Ltd., a non banking finance company focussed on structured transactions in the wholesale segment.

**Shri Sunil Kant Munjal** is a Non-Executive Director (DIN No. 00003902) of the Company since 13.5.2003. After his graduation, he underwent training in the field of Mechanical Engineering. Presently, he is the Joint Managing Director of Hero MotoCorp Ltd. and the Chairman of Hero Corporate Service Pvt. Ltd. He has been the President of Confederation of Indian Industry (CII) and the Member of Prime Minister's Council on Trade & Industry. He is the Member of Corporate Social Responsibility Committee of the Company.

**Shri D. Sengupta** is a Non-Executive Director (DIN No. 00043289) of the Company since 11.8.2003. After graduating in science he worked in non-life and re-insurance industry for 39 years and retired as Chairman of General Insurance Corporation of India in June 2002. In between he was the Chairman cum Managing Director of New India Assurance Co Ltd. He was non-executive Director in various Indian and international firms and has wide experience in risk management. He also was instrumental in market expansion both in India and abroad. He is a Member of the Board Audit Committee, Nomination, Remuneration & Compensation Committee and Board Finance Committee of the Company.

**Smt. Ramni Nirula**, is a Non-Executive Director (DIN No.00015330) of the Company since 3.2.2015. She retired as Sr. General Manager of ICICI Bank Ltd., has more than 3 decades of experience in the financial services sector. 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.

**Shri Sharad Shrivastva**, a nominee of Life Insurance Corporation of India (LIC), is a Non-Executive Director (DIN No.01271854) of the Company since 2.7.2014. He is B.A. from Allahabad University & Associate Member of Insurance Institute of India-Mumbai. He joined LIC in 4.4.1983 and has worked in various branches/Divisional Offices/LIC HFL/ Insurance Institute of India/ Zonal Manager(I/C) since then.

## 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:

Shri Ajay S. Shriram  
Chairman & Senior Managing Director

Shri Vikram S. Shriram  
Vice Chairman & Managing Director

Shri Ajit S. Shriram  
Joint Managing Director

Shri K.K. Kaul  
Whole Time Director

Dr. N.J. Singh  
Whole Time Director (EHS)

Shri A.K. Awasthi  
Chief Executive – Hydro Business

Shri Sovan Chakrabarty  
Executive Director – Shriram Farm Solutions

Shri J.K. Jain  
Executive Director & CFO

Shri M. Muthujyothi  
Executive Director – Sugar

Shri Anil Kumar  
Executive Director - Chemicals

Shri Rajesh Gupta  
President & Head – Corporate Strategy

Dr. Sharad Sharma  
President – Bioseed South Asia

Dr. Paresh Verma  
President - South East Asia & Research Director – Bioseed Research India

Shri Sushil Baveja  
President & Head – Corporate HR

Shri Rajat Mukerjee  
Senior Vice President

Shri Saket Jain  
Business Head – Fenesta™ Building Systems

Shri Vinoo Mehta  
Senior Vice President and Business Head – Cement

Shri K.M. Tandon  
Senior Vice President and Business Head – Fertilizer

Shri Sameet Gambhir  
Company Secretary

### Subsidiaries

Shri J.V. Ratnam  
Country Head – Bioseed Vietnam Ltd.

Shri Devadatta Sirdeshpande  
Country Head – Bioseed Research Philippines Inc.

Shri Joseph Abraham Anand  
Country Head – PT. Shriram Seed, Indonesia

### Joint Venture

Shri Rajiv Arora  
President & Business Head – Shriram Axiall Private Ltd.

## Management Discussion and Analysis

### Performance Review

The company reported a satisfactory financial performance for the year despite challenges it faced from external environment in second half of the year, on account of falling prices of most of its products and a weak monsoon. Margins of Chloro-vinyl products witnessed significant decline and Sugar had high negative margins. Fall in Chloro-vinyl prices was driven by global decline in commodity prices and that of Sugar due to oversupply situation in the Country. Bioseed, Farm solutions and Fenesta improved their performance.

Company's Balance Sheet stood strong with reasonable cash generation and stable Debt levels.

1. Net Revenues stood at Rs. 5,639 crores, down by 8.8% YoY. This decline in revenues was primarily driven by lower sales of Sugar and of Bulk fertilisers during the year.
  - **Sugar:** Revenues during FY 15 declined by 31% YoY to Rs. 1,037 crores primarily due to lower sales volume, a result of lower production in SS 2013-14.
  - **Shriram Farm Solutions:** Revenues in FY 15 went down by 20% YoY to Rs. 1,417 crores. This was due to lower volumes of bulk fertilisers, which was in line with the market conditions.
  - **Bioseed:** Revenue was up by 25% YoY to Rs 570 crores in FY 15 driven by strong domestic operations on the back of robust growth in sales volumes of BT cotton during the year especially in south central region. Stabilizing international operations also contributed to revenue growth during the year.
  - **Fertilizer:** Revenue increased by 16% YoY to Rs 726 crores due to higher gas prices during the year and increase in reimbursement of conversion costs by Rs 500 / MT w.e.f April 1, 2015.
2. Profit before interest, exceptional items and tax (PBIT) stood at Rs 340 crores vs. Rs. 421 crores in the previous year

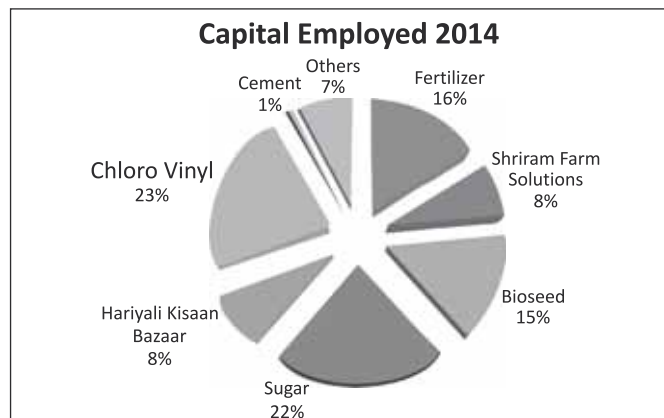
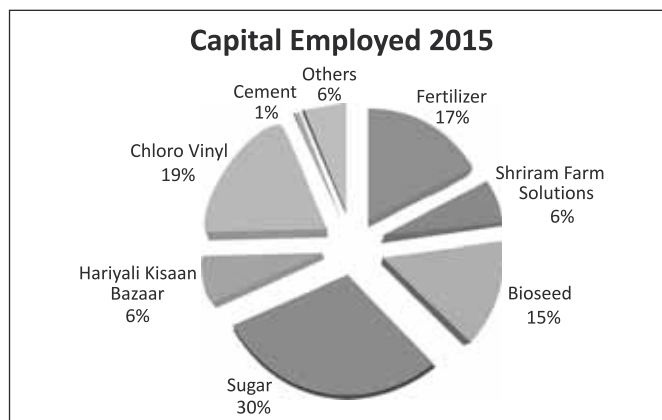
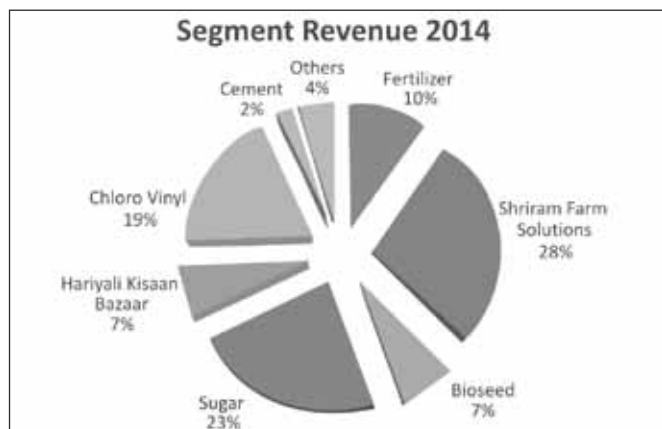
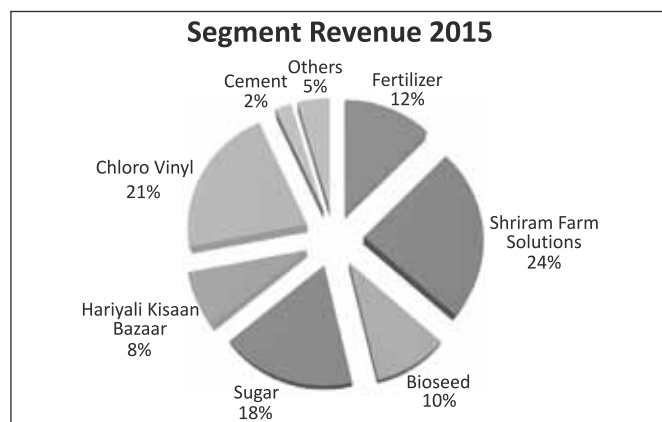
### PBIT Consolidated (before exceptional items)

Particulars	FY 2015		FY 2014	
	Rs Crores	% of Total	Rs Crores	% of Total
Agri Input				
- Fertilizers	37.4	7.8	23.2	4.7
- Shriram Farm Solutions	87.2	18.2	81.0	16.5
- Bioseed	32.1	6.7	4.2	0.9
<b>Sub-Total</b>	<b>156.7</b>	<b>32.7</b>	<b>108.4</b>	<b>22.1</b>
Chloro Vinyl	317.1	66.3	374.3	76.2
Hariyali Kisaan Bazaar	4.8	1.0	8.3	1.7
<b>Total</b>	<b>478.5</b>	<b>100.0</b>	<b>491.0</b>	<b>100.0</b>
Sugar	(68.5)		(5.4)	
Cement	(5.1)		(0.3)	
Other Businesses	(3.3)		(9.2)	
Unallocated Expenditure	61.5		55.0	
<b>Grand Total</b>	<b>340.1</b>		<b>421.0</b>	

- **Chloro-Vinyl:** PBIT went down by 15% to Rs. 317 crores primarily driven by decline in realizations amid increase in input costs.
  - **Sugar:** Sugar business' loss intensified to Rs. 68 crores in FY 15 up from a loss of Rs 5 crores last year. This was primarily on account of steep fall in realizations from Sept 2014 onwards, leading to inventory write-down of Rs. 98 crore.
  - **Shriram Farm Solutions:** PBIT increased to Rs. 87 crores, up 8% YoY, driven by higher margins in bulk fertilizers during the year.
  - **Fertilizer:** PBIT in FY 15 was higher by 61% YoY at Rs. 37.4 crores on account of increase in reimbursement for conversion costs during the year and higher Energy savings. High level of subsidy outstanding continued to put downward pressure on earnings.
  - **Bioseed:** PBIT in FY 15 increased to Rs 32.1 crore from Rs 4.2 Crore last year due to robust performance of Domestic operations and lower losses in international operations.
  - **Cement:** PBIT loss stood at Rs. 5.1 crores vs. a PBIT loss of Rs. 0.3 crores in FY 14. The business's lower earnings were on account of higher input costs during the year.
3. **Finance Costs** – Finance costs during FY 15 declined by 25% to Rs. 112 crores due to decline in average debt during the year.

4. Net Profit stood at Rs. 211 crores vis-a-vis Rs. 242 crores in the last year.
5. The Board of Directors has recommended a dividend of 110% for the year as compared to 100% in the previous year.
6. Net Debt stood at Rs. 688 crores as compared to Rs. 683 crores in FY 14.

#### Business Mix



## Business – Wise Performance Review and Outlook

### Agri - Businesses

#### Fertilizer (Urea)

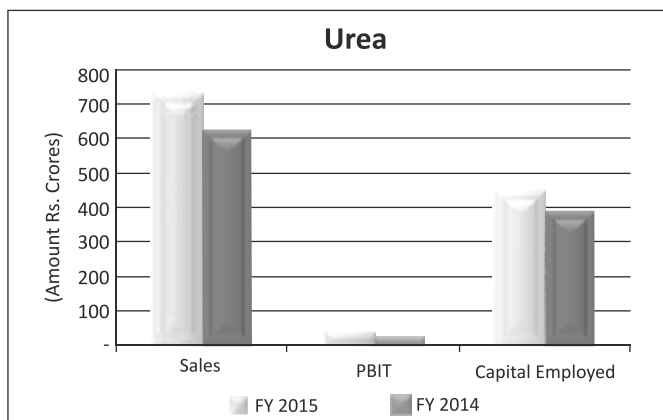
The company's Urea plant, that operates out of its integrated manufacturing complex at Kota, Rajasthan, is one of the oldest plants in the country with a reassessed capacity of 3,79,500 TPA. The company markets its products under the "Shriram Urea" brand. "Shriram Urea" is a trusted name and enjoys high brand equity amongst the farmers. The Company has an extensive distribution network over the entire Northern and Central India. The plant has a dual feed option of Natural gas as well as Naphtha. Currently it is operating on 100% Natural gas.

#### Business Performance

The Revenue, PBIT and Capital employed for this business for FY 15 along with the quantitative data is as follows:

Particulars	FY 15 (Rs/Crores)	FY 14 (Rs/Crores)
Sales	726.2	625.4
PBIT	37.4	23.2
Capital employed	441.8	389.8

Year	Sales (MT)	Realizations (Rs./MT)
FY 15	397,589	18,067
FY 14	403,608	15,419
% Change	(1.5)	17.2



Increase in revenue during FY 15 was primarily driven by higher gas prices, which are a pass through. The increase in profitability during the year was on account of increase in reimbursement for conversion costs by Rs 500 / MT w.e.f. April 1, 2014 and energy savings during the year. While a positive step for the industry, this increase does not fully compensate the cost increases. The earnings of this business are expected to be under pressure with increasing conversion costs compounded by high level of subsidy outstanding.

In FY 15 the Company converted 162,300 MT of Urea into Neem Coated Urea. The Govt. of India's announcement in March 2015, that mandated domestic manufacturers to produce neem coated Urea of at least 75% of their capacity, would lead to higher conversion going forward.

#### Industry Overview and Outlook

India is the second largest producer and consumer of Urea in the world. Urea is the most preferred fertilizer and constitutes over 70% of entire fertilizer consumption in the country. Urea is the preferred choice of farmers in India on account of its low farm gate price (fixed by government) and high nitrogen content. The demand and consumption of Urea has been growing and the gap in demand/supply is currently being met by imports. During FY 15, total Urea production in India stood at ~ 22.6 Mn MT. 8.7 Mn MT of Urea was imported into India during the year to meet the domestic demand.

In May 2015, the Govt. of India notified the New Urea Policy 2015 for the period from June 2015 to March 2019.

#### Our Strategy

The company continues to make efforts towards energy efficiency and reducing energy consumption

along with reduction / containment of fixed expenses.

#### Shriram Farm Solutions

Shriram Farm Solutions business provides the farming community a complete range of farm inputs which include the 'Value Added' inputs such as Seeds (GM, Hybrid and OP), Crop Care Chemicals (Insecticide, Fungicide and Herbicide), Soluble Fertilizers, Micro-Nutrients etc and Bulk Fertilizers like DAP, MOP and SSP. The Company sells these Agri-Inputs under brand "Shriram" which is known for quality and has a strong brand image within the farming community. The Company's philosophy for this business is not only limited to providing wide range of quality inputs, but also to provide customized solutions which include providing customized inputs by leveraging local knowledge and creating package of practices which will help farmers in enhancing their productivity and profitability levels. The business is supported by a strong distribution network which is present in 17 states, reaching ~ 0.4 million farmers and ~ 30,000 retailers.

The business has developed a strong extension program called the SKVP (Shriram Krishi Vikas Program). This program, apart from being an Agronomy services platform providing latest technology and practices to the farmers and the Channel, also focuses on meeting its social responsibilities. Some of the activities include education programs for girl child, providing scholarships along with vocational training for women.

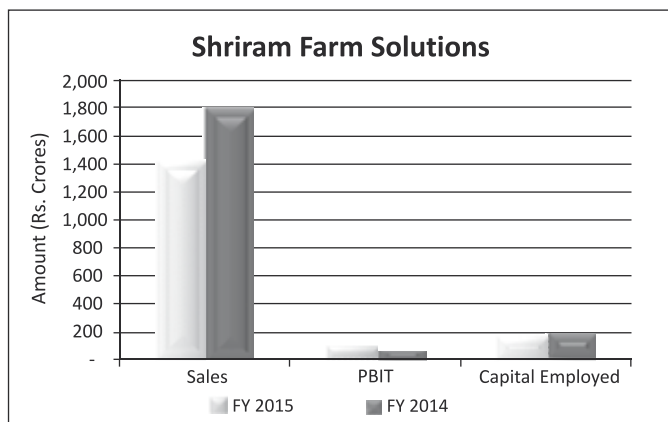
We believe, that new technologies/practices need to be disseminated to the farmers which will help them in increasing yields/ profitability by meeting challenges of drought, pests etc. The company lays strong emphasis on strengthening its customer interface which will help in capturing the evolving trends in Agriculture and leverage technology to enhance performance of the Business, the Channel and the Farmer.

#### Business Performance

The Revenue, PBIT and Capital employed for this business for FY 15 are as follows:

Particulars	FY 15 (Rs/Crores)	FY 14 (Rs/Crores)
Sales	1416.7	1,779.4
PBIT	87.2	81.0
Capital employed	155.0	186.4





- Revenues in FY 15 stood at Rs. 1,417 crores, down from Rs. 1,779 crores last year. This was led by lower volumes of bulk fertilizers, which was in line with the market conditions. Performance of our 'Value Added' inputs vertical was stable despite erratic weather in both Kharif and Rabi seasons.
- PBIT for FY 15 was up by 8% YoY at Rs. 87 crores due to higher margins in the bulk business during the year.

#### Industry Overview and Outlook

2014-15 was a challenging year for the Agri-Input industry because of two key developments. Firstly, the significant drop in agricultural commodity prices and secondly, weak monsoon in 2014 along with erratic rainfall led to lower farmer productivity leading to strained cash flows in the market. These factors led to moderation in growth of the Agrochemicals industry during the year.

In terms of bulk fertilizers, the year 2014-15 began with subdued levels of fertilizer inventory. The domestic consumption level was almost stagnant for most products and there was a marginal shift to NPK complexes in south and western India states. The poor output prices of most Kharif crops led to depressed cashflow and consequently, moderated demand for higher priced fertilisers.

The Indian Meteorological Department has forecast a below normal monsoons in Kharif 2015, which can adversely impact growth prospects of the Agri-inputs industry during the year. However, we are confident that this industry will witness healthy growth in medium-long term due to strong demand for food in the next few years given the macro factors such as population growth, rising per capita income etc. As

per industry estimates, the demand for food will touch ~ 330 Mn MT by 2020 and supply is projected to be about 280 Mn MT, resulting in shortage of ~ 50 Mn MT. With land area under agriculture stagnant at 140 Mn h.a, the country would need to improve the levels of productivity which would include adoption of superior Agri input products along with other initiatives.

#### Our Strategy

The business is taking several steps including strengthening the market development program, enhancing its product portfolio based on customer feedback, entering into new geographies, strengthening the supply chain and leveraging technology. We believe that these steps will enable the business to achieve healthy growth in the medium term especially in the 'Value Added' segment.

#### Bioseed

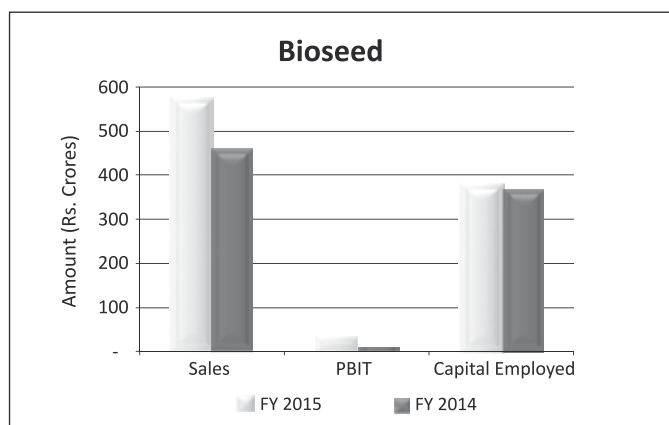
The Bioseed business provides high quality hybrid seeds that help farmers improve their profitability and productivity. Bioseed business is vertically integrated with presence across Research, Production, Processing and Marketing. The business' product portfolio includes both Field and Vegetable crops. In field crops, the business offers Bt Cotton, Corn, Paddy, Bajra and Jowar hybrid seeds. In Vegetable crops, it is present in Tomato, Chillies, Okra, Brinjal, Gourds among others. The business, apart from being presents in India (in both Field and Vegetable Crops), is also present in Corn in Philippines and Vietnam and has started commercial activities in Indonesia. The company has created robust physical infrastructure that includes R&D facilities, processing and cold storage facilities etc. to support this business.

The Company's sustained focus on R&D activities positions it strongly to meet its medium term growth targets. We continue to invest about 8% of revenues into research for developing new products, which has led to a healthy product pipeline. The product development is focused on providing high yielding hybrids including traits such as disease tolerance, salinity and drought tolerance among others. The company has entered into various strategic alliances in the area of R&D to further strengthen its capabilities in this domain.

We are also focused on Agri-extension activities, working very closely with the farming community to create demand and enable developing a strong brand.

## Business performance

Particulars	FY 15 (Rs/Crores)	FY 14 (Rs/Crores)
Sales	570.3	457.7
PBIT	32.1	4.2
Capital employed	380.0	370.0



Bioseed Revenues in FY 15 increased by 25% driven by growth in the domestic business on the back of robust increase in sales volumes of Bt Cotton hybrid seeds, especially in the Central and Southern markets. Sales of Corn hybrid seeds, however, declined in FY 15 impacted primarily by the decrease in corn acreage during the year. Stabilizing international operations also supported revenue increase during the period.

Overall earnings improved led by higher profits in domestic business and lower losses in international operations.

## Our Strategy

We are focused on continuous investment in R&D to ensure long term sustainable growth in the business. This would enable us to develop a healthy pipeline of superior 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 business has taken several steps to strengthen its Biotech program so as to leverage that opportunity as and when it arises in India and overseas. 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 augmenting its product portfolio and intensifying marketing efforts to drive growth in the International operations, which is expected to take a couple of years.

## Sugar

DCM Shriram is a major player in the domestic sugar industry. The company operates four sugar units located at Ajbapur (10,500 TCD), Rupapur (6,500 TCD), Hariawan (8,000 TCD) and Loni (8,000 TCD) with a total crushing capacity of 33,000 TCD. These four units have a total power cogeneration capacity of 94.5 MW of which 51.5 MW of power can be exported.

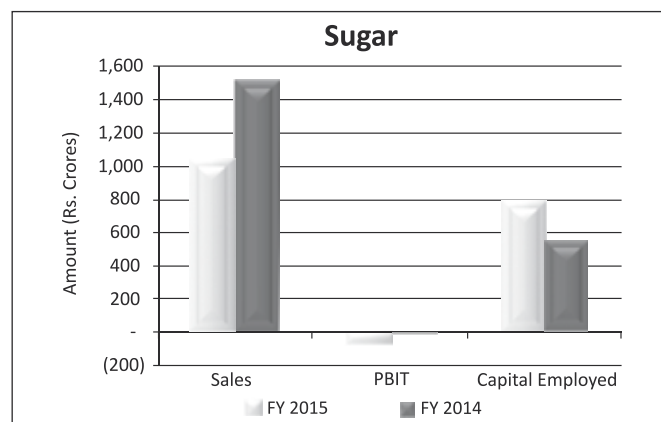
## Business Performance

The Revenue, PBIT and Capital Employed for this business for FY 15 along with the quantitative data is as follows:

Particulars	FY 15 (Rs/Crores)	FY 14 (Rs/Crores)
Sales	1,037.1	1,500.2
PBIT	(68.5)	(5.4)
Capital employed	784.9	550.3

Year	Sales (Lac Quintals)*	Realizations (Rs./Qtl)
FY 15	29.2	2,967
FY 14	42.8	3,006
% Shift	(31.9)	(1.3)

\* Free Sugar



Particulars	Unit of Measurement	2014-15	2013-14
<b>Sugar Season</b>			
Cane Crushed	Lac Quintals	299	321
Recovery Rate	%	9.90	9.92
Sugar Produced	Lac Quintals	29.6	31.8
<b>Financial Year</b>			
Cane Crushed	Lac Quintals	314	354
Recovery Rate	%	9.94	9.83
Sugar Produced	Lac Quintals	31.4	34.9

- Revenues at Rs 1,037 crores were down 31% mainly due to lower sugar volumes. Losses intensified due to continuous and steep decline in prices from Sep 2014 that triggered inventory losses aggregating to Rs 98 crores during the year. Present low prices are expected to persist given the oversupply situation in the market
- Cane crush during SS 2014-15 stood at 299 lac Qtls, down from 321 lac Qtls in the previous season. This was on account of lower sugarcane acreage and lower yields in the region due to adverse agro climatic conditions.
- During the SS 2014-15 recovery in our sugar business remained in line with last year at 9.9%. We have intensified efforts and are taking all the steps to further improve cane quantity and quality in the coming year.

### Industry Overview and Outlook

The Indian Sugar Industry is one of the largest with India being the second largest producer after Brazil and the 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.

Sugar is a controlled commodity that comes under the Essential Commodities Act, 1955. Early last year, the Government of India took some early steps towards partial decontrol of sugar industry by abolishment

of levy obligation & monthly release mechanism on the recommendations of the Rangarajan committee. However, the sugar industry still continues to be regulated with regards to the price at which mill purchases cane from the farmers. Hence there is no correlation between the selling price of Sugar and purchase price of Sugarcane. The Central Government annually announces FRP (Fair & Remunerative Price) which is binding across the country, however some State Governments like Uttar Pradesh announce SAP (State Advised Price) – a price over and above FRP. The other controls include, trade (export/ import) restrictions, minimum distance criteria, cane area reservation and quantitative restrictions on movement of by-products like molasses & ethanol.

During the current season the Government of Uttar Pradesh maintained the State Advised Price (SAP) at Rs 280 per quintal of cane to be paid in 2 instalments of Rs 240 /Qtl within 14 days of purchase and Rs 40 / Qtl at the end of crushing season. The Government also declared an incentive of Rs 40 / Qtl of cane out of which they notified Rs 11.40 / Qtl of cane in terms of rebate in society commission, purchase tax & entry tax in FY 15 and the same was accounted for in FY 15. With Sugar prices continuing at low levels it is expected that the Government should notify the balance amount, out of which in June 15 it has notified cash subsidy of Rs 8.60 / Qtl of cane crushed.

Led by surpluses in the last couple of years, both global as well as domestic markets are seeing a glut in sugar, which have led to sugar margins trading at historical lows. Depreciating Brazilian currency has also fuelled this fall as net realization to Brazilian mills in local currency has remained unaffected. For India, condition has worsened further as cane prices continue to be high on account of no linkage of cane price with the sugar prices and has led to distressed financial condition of domestic sugar mills.

Sugar production in India is estimated at around 28.3 million ton in sugar season 2014-15 up from 24.4 million ton in previous season. With consumption expected around 24.7 million ton we expect our closing stocks to increase by over 3.0 million ton compared to last sugar season and are expected to be around 11 million ton.

The Sugar industry is pursuing with Government to see how the Industry can be bailed out of this turbulent situation. The efforts have to be directed to support Sugar prices as well as to develop and implement



linkage between Sugarcane prices and Sugar prices.

### Our Strategy

The business continues its focus on improving productivity and quality of Sugarcane benefitting both farmers in terms of higher yields and mills in terms of better recoveries. This measure is being supported by dedicated cane development efforts focused at empowering and equipping our farmers with latest technologies and improved agronomy practices. The business has embarked upon an up gradation and expansion project at Ajbapur unit for cogeneration power at an estimated cost of Rs 125 crores. The capex project is progressing as per plan.

### Hariyali Kisaan Bazaar

The Company's operations are limited to fuel retailing at the existing outlets. The Company is now focused on sale of surplus properties located in rural areas.

### Business performance

The Revenue, PBIT and Capital employed for this business for FY 15 is as follows:

Particulars	FY 15 (Rs/Crores)	FY 14 (Rs/Crores)
Sales	465.5	429.1
PBIT	4.8	8.3
Capital Employed	165.2	200.2

1. Revenues during the year increased by 8% to Rs. 466 crores
2. The business witnessed a PBIT gain of Rs 4.8 crores in FY 15 primarily on account of profits generated from the sale of surplus properties

### Our Strategy

The company is focused on the sale of remaining properties, which is expected to be achieved over the next 2-3 years.

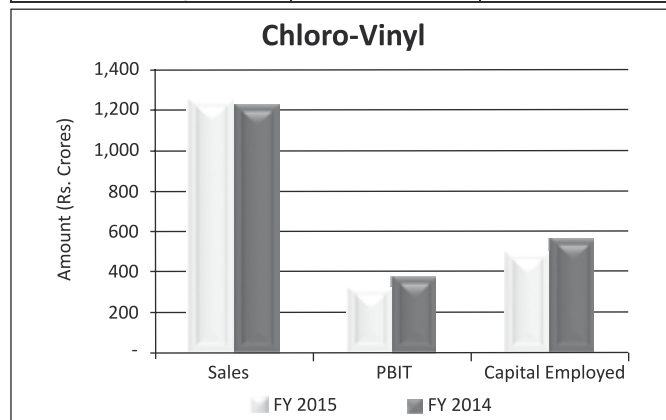
### Chloro – Vinyl Businesses

The Chloro Vinyl business involves multiple revenue streams that include Chlor Alkali (Caustic Soda and Chlorine), PVC resins, Calcium carbide and Power. These multiple revenue streams enable the company to maximize earnings per unit of power produced and lend stability to Chloro-Vinyl operations. This highly integrated business is supported by 143 MW coal based power facilities (part of 283 MW power capacity in the Company).

### Business Performance

The Revenue, PBIT and Capital employed for this business for FY 15 is as follows:

Particulars	FY 15 (Rs/Crores)	FY 14 (Rs/Crores)
Sales	1,242.3	1,220.6
PBIT	317.1	374.3
Capital employed	495.0	565.9



- Revenues from Chloro-Vinyl business stood at Rs. 1,242 crores as compared with Rs. 1,221 crores in FY 14. This increase was on account of higher revenue of the Vinyl business that was driven by higher volumes of PVC Resins vis-a-vis last year.
- The Chloro Vinyl business' earnings came under pressure due to steep decline in realizations during the second half vis-a-vis last year. Rise in key input costs also contributed to earnings moderation during the year.

### Chlor-Alkali

Chlor-Alkali industry has Caustic Soda and Chlorine as the two Co-Products that are produced in the ratio of 1:0.88. The prices of these products, especially of Caustic Soda, are influenced by international prices, exchange variations and demand supply factors.

Caustic soda is used in Alumina, Paper, Textiles, Water Treatment, Pesticides, Pharmaceutical industries etc whereas Chlorine is used in Polymers including PVC resins, Dyes and inks, Crop care chemicals, HCL etc. The growth of this business is highly correlated to the growth in the economy.

The company operates manufacturing facilities at Kota (Rajasthan) and Bharuch (Gujarat) with an aggregate

capacity of 780 TPD, which places it among top three players in the domestic Chlor-Alkali Industry. Both of our manufacturing facilities have full access to 100% captive power based on Coal. While the Kota unit is based on domestic Coal, the Bharuch plant imports its Coal requirements.

### Business Performance

The Revenue, PBIT and Capital employed for this business for FY 15 along with the quantitative data is as follows:

Particulars	FY 15 (Rs/Crores)	FY 14 (Rs/Crores)
Sales	683.4	707.1
PBIT	178.2	233.5
Capital employed	367.2	386.9

Year	Sales (MT)	Realizations (Rs./MT)
FY 15	2,60,803	23,681
FY 14	2,56,249	25,376
% Change	1.8	(6.7)

Operations at both, Kota and Bharuch facilities continued to deliver optimally driven by higher production with improving cost efficiencies. The Revenues were marginally lower by 3% at Rs. 683 crores on account of softening of prices by 7% during FY 15. PBIT was down by 24% at Rs. 178 crores primarily on account of lower realizations during the year. The business's efforts on cost rationalization have immensely helped in sustaining the performance in a scenario of rising cost of inputs.

### Industry Overview and Outlook

The Chlor-Alkali industry in India has 35 operating units with a combined installed capacity of 3.5 million TPA of Caustic Soda. The top three players comprise about 45% of the total installed capacity. The domestic demand for Caustic Soda and Chlorine in 2014-15 is estimated at about 3.2 million tons and 2.5 million tons respectively. The growth in demand for Caustic soda and Chlorine is linked to GDP growth.

### Our Strategy

The Company has embarked upon a major expansion drive at its Bharuch facility to expand Chlor- Alkali and Power Generation capacity. The Chlor Alkali Capacity at Bharuch is being expanded to 915 TPD along with doubling of the power generation capacity. Post expansion, the combined capacity of the Company is expected at 1,245 TPD.

The Company continues to lay strong emphasis on further improving cost structures at both its manufacturing units.

### Plastics

The 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 Plastic business is an integral part of the Chloro-Vinyl manufacturing facility at Kota with integration in terms of own Captive Power, Chlorine and Calcium Carbide. The Calcium Carbide manufactured by the company is partly sold and partly used 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 companies worldwide except in China. The Carbide route provides us complete integration from base raw material to finished resin in the Vinyl value chain.

### Business Performance

The Revenue, PBIT and Capital employed for this business for FY 15 along with the quantitative data is as follows:

Particulars	FY 15 (Rs/Crores)	FY 14 (Rs/Crores)
Sales	558.8	513.5
PBIT	138.9	140.8
Capital employed	127.8	179.0

	PVC Resins		Carbide	
Year	Sales (MT)	Realizations (Rs./MT)	Sales (MT)	Realizations (Rs./MT)
FY 15	62,789	70,460	22,431	42,580
FY 14	53,301	69,853	29,850	41,957
% Change	17.8	0.9	(24.9)	1.5

The Revenue for this business was higher by 9% at Rs. 559 crores driven by higher Volumes and higher average realizations of PVC resins. PBIT from this business was lower by 1.4% at Rs. 139 crores due to increase in cost of power, however several cost initiatives were undertaken by company in last couple of years helped to improve the cost economies of this business w.r.t Power and Carbon materials, helping the business to sustain reasonable margins. The prices of PVC resin witnessed significant decline in the third quarter and have improved from fourth quarter onwards in line with trend of Crude Oil prices.

## Industry Overview & Outlook

PVC Resin is a widely used raw material owing to its safe, healthy, convenient and aesthetical advantage for applications in urban infrastructure, Electronic products, Consumer products, Irrigation etc. It is a thermoplastic with 57% chlorine and 43% carbon, making it excellent fire resistant material. More than 70% of PVC resins are used for producing PVC pipes in India. The Indian PVC market is expected to grow in line with GDP growth of our country. In FY 15, growth in the domestic PVC industry is estimated at a higher pace than the 2% growth witnessed during the previous year.

India's PVC resin industry's capacity currently stands at around 1.3 million Metric Ton per annum (MTPA). As against this, domestic demand has been growing steadily and has reached ~ 2.5 MTPA. The gap of ~ 1.2 MTPA is being met by the import of PVC resin in India.

The continued focus of the Govt. on building infrastructure as envisaged in the 12th Five Year Plan – development of smart cities, rural housing and Agri-asset creation, rapid urbanization and other initiatives like investments in rural sanitation is expected to fuel growth of the PVC industry in India over the next few years.

The prices of PVC have import price parity and have a positive correlation with Crude oil prices.

For Calcium Carbide, continuous increase in usage of desulphurization (DS) Compound in the Steel Industry remains the key growth driver. Increased focus of Government on infrastructure sector will result in growth in steel industry and is likely to have a positive impact on the growth in demand for Calcium Carbide in India.

## Our Strategy

The company is focused on maximizing product volumes given the higher net back per unit of Power from the sale of PVC Resin and Calcium Carbide and on continuing with its cost reduction measures to support the business' profitability.

### Cement

The company operates a 400,000 TPA cement plant at its integrated Kota facility and uses the 'Wet' process to manufacture cement. The company leverages the Calcium hydroxide sludge, which is generated in the process of manufacturing PVC resins through

calcium carbide route, to manufacture Cement in an environmentally friendly manner.

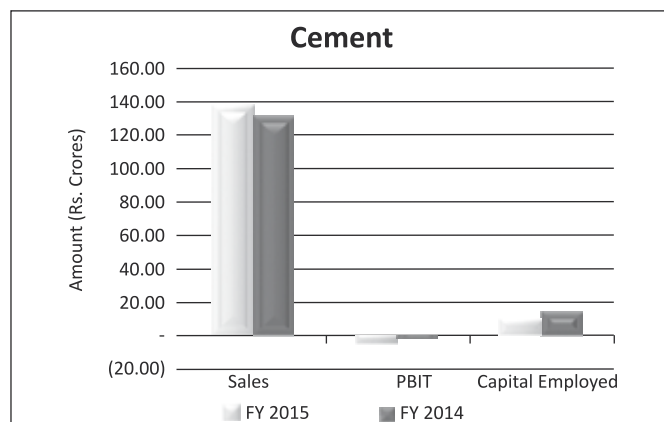
The Company produces high quality, premium grade Portland Cement. The Cement is characterized by light colour, superior strength and early setting properties. These characteristics have made "Shriram Cement" to be considered as a premium brand especially in markets like Delhi/NCR and Rajasthan.

## Business Performance

The Sales, PBIT and Capital employed for FY 15 along with quantitative data stands as follows

Particulars	FY 15 (Rs/Crores)	FY 14 (Rs/Crores)
Sales	137.1	130.6
PBIT	(5.1)	(0.3)
Capital Employed	9.6	14.4

Particulars	Sales (MT)	Realizations (Rs./MT)
FY 15	390,316	2,860
FY 14	367,535	2,791
% change	6.2	2.5



The Revenues from the Cement business was higher by 5% at Rs. 137 crores on account of higher volumes and higher average realizations during the year. The business' earnings were however impacted by increase in input costs resulting in increase of PBIT loss to Rs 5.1 crores in FY 15 as compared with a loss of Rs 0.3 Crores in FY 14.

## Our strategy

The Company continues to focus its efforts on improving efficiencies, optimizing costs and selling its products in the premium range.

## Other Businesses

### Fenesta Building Systems

Fenesta Building Systems is India's largest UPVC windows solutions provider, specializing in the design, manufacture, installation and service of precision-engineered made-to-order UPVC window and door systems. Fenesta is an end to end service provider right from extrusion of UPVC profiles to installation of windows. The company operates in two segments, i.e 'Retail' and 'Projects (Institutional)'.

During the last one year, 'Retail' Business has shown tremendous growth with established Direct Sales Team as well as Dealer Network. Our Retail Sales Model is also improving with Dealer-Direct Partnership in focused territories to Maximize Sales and launch of nine Fenesta Signature Studios. 'Project' segment also has now started witnessing signs of improvement. Enhanced sales & operational performance, improved customer service and launch of new products during last year have started yielding results. Fenesta is now "The Superbrand" in Windows & Doors Industry in India.

### Our Strategy

In 'Retail', our strategy revolves around quality engagement with customers, influencers & business partners through structured programs. We expect the outreach Programs that are instituted to give returns over the next few quarters. At the same time, we are committed towards improving Product & Service Quality and Customer Satisfaction. The business is taking several steps in capability building and enhancing productivity & efficiencies across all the Business Operations.

In 'Projects' our focus continues to be on profitable execution. Project booking has improved significantly in second half of the last year, with concrete efforts to rebuild the segment under way, we expect it to keep improving in the year ahead.

### PVC Compounds

The business is housed in a Company called Shriram Axiall Private Limited which is a 50:50 Joint venture with Axiall LLC USA. It is the largest commercial PVC Compounder in India. PVC Compounding business is approximately 5 lac MT per year in India. However only 60-65% business lies with organized players including self compounders. Compounded PVC finds its uses in wires, cables, automotive profiles, rigid

transparent applications etc. The business is equipped with modern compounding technologies and testing equipments that enables it to provide a vast range of high quality PVC Compounds to customers in different industries. The business' manufacturing plant has state of the art product development facility known as iPAC (Innovative Plastic Application Center) which provides the company an edge in terms of faster development of new products and service to the customer.

The Strategy platform for growth of the Joint venture is the transfer of technology from Axiall LLC, USA to India and focus on new engineered Vinyl applications in India. The Joint Venture is working on expanding its product domain into new applications during the coming year.

### Business Performance

In FY 15, the business's sales volumes went up by 19% vis-a-vis last year. During the year, the Company expanded its geographical reach in Western and Southern India and plans to further increase its presence in FY 16.

The company's adherence to the best manufacturing practices, cost reduction initiatives and focus on introduction of new products will lead the business on the path of sustainable growth in the medium to long term.

### Human Resources and Industrial/Employee Relations

The Company has always had a progressive approach towards its people in line with its philosophy that people play a key role in driving the overall business performance and results. The company has continued to invest in the development of its people resources and building a relationship of trust and understanding. The commitment of the Organisation towards its people is well articulated in its various policies, practices, processes and the core values and beliefs. Needless to say, this has all resulted in the creation of a business enabling ethos and environment across all the businesses and units of the Organisation.

### People Productivity and Optimization

The focus, as in the past, has been to continuously improve the overall level of productivity and efficiency of the employees. There have been sustained programs and initiatives to raise the level of output, optimization of costs and improvements in the processes / systems to add to the competitiveness of the products and services across all the business

segments. The Company has always believed in an inclusive approach to ensure that everybody participates in the ideation and execution of efforts directed to all-round improvement. The culture has now, progressively, got well-institutionalised whereby employees are a lot more forthcoming with innovative ideas and thoughts to drive the overall performance, productivity and profitability of the business. The participation of employees in various cross-functional teams, action learning projects and initiatives has been quite significant in raising productivity, optimisation and business results.

### **Capability Building**

The Company has continued to invest in building the capability of its employees across all the levels which in turn has had a very positive impact on increasing the capability band-width of the Organisation to drive a scaled up performance. There have been on-going initiatives and programs in this direction. The efforts have been not only in the area of training and development of people to upgrade their technical, functional and behavioural competencies but much beyond that. There have been programs around talent and leadership development, mentoring and coaching of its talent pool and awareness programs around various need based themes. The focus has been to raise the overall knowledge base of its employees through not only its internal programs but also using external faculty and facilitators to bring-in outside-in perspective. A very contemporary approach to People Development has enabled the employees to develop an introspective and curious mind-set which has enabled the businesses to keep pace with the various developments in the world outside in the area of technology, processes & systems and business / market.

### **HR Initiatives and Interventions**

The HR initiatives and interventions across the Group have been largely driven by the Employee Engagement Survey that gets conducted every year

by an independent agency. Each business during the year has had a focused agenda of driving engagement of employees based on the specific and unique themes emerging from the survey. Company is investing in talent & leadership development process which aims at building the talent pipeline for the future and enabling the Succession Planning process. The Balanced Scorecard initiative continues to get institutionalized across various businesses to strengthen the Performance Management process and creating a culture of outcome orientation.

### **Employee / Industrial Relations**

The healthy relationship of the Organisation with its employees continues to be the cornerstone of its Human Resource Management which has ensured that there is complete alignment between the individual goals and business goals of the Company. The company has sustained its approach of taking care of the needs of the employees in the most sensitive and proactive manner. There has been on-going focus to ensure that there is a regular flow of communication with the employees to build complete transparency and understanding and create a feeling of belongingness and oneness. The relationship continues to be characterized by authenticity and personal touch to institutionalize a family spirit and culture. The Company continues to work towards building a work place that is an enabling one, free from any kind harassment – physical, sexual – to ensure that there is not only a compliance to the Statutory provisions but the value system of the Organisation is upheld in the most vigorous manner.

The people philosophy, value system and overall approach of the Organisation has ensured that people are an integral part of the business and continue to play an involved and positive role in building an institution which is capable and ready to raise performance and take the business to the next level of size and scale. The company continues in its endeavour of building a work place which offers its employees a long-term career and engagement with the Organisation.



## Board's Report

The Directors have pleasure in presenting the 26<sup>th</sup> Annual Report of the Company along with Audited Accounts for the year ended 31<sup>st</sup> March, 2015.

### Financial Highlights

The results for the year ended 31.3.2015 and 31.3.2014 are as under:

(Rs. in crores)

Particulars	Standalone		Consolidated	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
Total revenue	5,556.73	6,133.01	5,690.76	6,231.97
Profit before depreciation, finance cost and tax	473.39	587.34	450.31	558.91
Depreciation	107.00	134.13	110.20	137.89
Finance cost	109.30	145.88	111.75	148.58
Profit before tax	257.09	307.33	228.36	272.44
Provision for taxation	15.16	32.67	17.56	30.06
Profit after tax	241.93	274.66	210.80	242.38
Balance brought forward from previous year	762.48	539.35	721.71	592.79
Net profit available for appropriation	993.49	875.94	920.82	835.17
<b>Appropriations</b>				
- Proposed dividends on equity shares (Incl. Interim dividend)	35.73	32.76	35.73	32.76
- Corporate dividend tax	6.29	5.57	6.29	5.57
- Storage fund for molasses account	0.13	0.13	0.13	0.13
- General reserve	-	75.00	-	75.00
- Balance carried forward	951.34	762.48	878.67	721.71

### State of Company's Affairs/Performance

The Company recorded a satisfactory performance despite challenging second half of the year, which witnessed a sharp fall in realizations of almost all its products in line with global trends.

The Company's total revenues during the year declined by 8.7% to Rs. 5,691 Crores due to lower sales volumes of bulk Fertilisers and Sugar.

EBITDA in FY 15 stood at Rs.450 Crores vs. Rs.559 Crores last year. This decline in the Company's EBITDA was primarily on account of lower earnings of the Company's Sugar and Chloro-Vinyl businesses. The Sugar business' earnings was due to the steep fall in sugar realizations from September, 2014 onwards. The Company had to write down the sugar inventory

by Rs.98 Crores in line with the prevailing prices. Sharp fall in realizations of Company's Chloro-Vinyl products and rise in key input costs in second half of the year led to lower earnings during the year.

The impact of lower earnings in Sugar and Chloro-Vinyl businesses was partly moderated by improvement in earnings of Bioseed, Fertiliser and Farm Solutions businesses. Earnings of the Company's Bioseed business were boosted by strong domestic operations and lower losses in International business during the year. The Fertiliser and Farm Solutions business' earnings were positively impacted by increase in reimbursement of conversion costs and higher margins in bulk Fertilisers, respectively. The Fenesta business achieved operating breakeven for the full year.

The Company's finance costs for the year stood lower at Rs.112 Crores vs. Rs.149 Crores last year. Net Debt stood at Rs.688 Crores vs. Rs.683 Crores last year.

Net Profit for FY 15 stood at Rs.211 Crores as compared to Rs.242 Crores in the previous period.

During the year, the Company announced capex projects totaling Rs.659 Crores aimed at expanding Chlor-Alkali capacity at the Bharuch plant and for expansion and upgradation of Co-gen power capacity in the Sugar business. These projects are expected to contribute to the Company's growth from the second half of FY 17.

### Dividend

Your Directors are pleased to recommend dividend @ 20% i.e. Re.0.40 per equity share of Rs.2/- each for the year ended 31.3.2015. The total dividend for the financial year 2014-15 aggregate to 110% i.e. Rs.2.20 per equity share of Rs.2/- each (including interim dividend @ 90% i.e. Rs. 1.80 per equity share of Rs. 2/- each paid in August, 2014).

### Number of meetings of the Board

The Board met 8 times during the financial year on 28.4.2014, 15.5.2014, 2.7.2014, 29.7.2014, 12.8.2014, 4.10.2014, 12.11.2014 and 3.2.2015.

### Subsidiary/Associate/Joint Venture Companies

Details of Companies, which have become or ceased to be Subsidiaries/Associate/Joint Venture (JV) during the year:

- DCM Shriram Thermal Energy Limited, DCM Shriram Hydro Energy Limited, DCM Shriram Energy & Infrastructure Limited and Hariyali

India Limited were struck off from the Register of Companies as these were not carrying on any business activities;

- Zeus Investments Limited, Mauritius an overseas subsidiary Company was Voluntarily Liquidated and dissolved on 21.7.2014 as published in the Government Gazette of Mauritius;
- Consequent to the Joint Venture Agreement entered with M/s. Axiall, LLC (subsidiary of Axiall Corporation, USA), Shriram Axiall Private Limited became a 50:50 JV Company between Axiall, LLC and the Company w.e.f. 10.4.2014.

#### **Report on Performance and financial position of Subsidiaries, Associate and JV Company**

The details regarding the performance and financial position of Company's Subsidiaries, Associates and JV are given in Annexure - 1 of this Board's Report.

#### **Risk Management Framework**

The Company has in place a Risk Management Framework, which was approved by the Board on 28.1.2006 and was implemented w.e.f. 2.1.2007. The said framework includes risk identification, assessment, response and monitoring system for mitigation of risk.

#### **Company's Policy on Directors' Appointment & Remuneration**

The criteria for Directors' appointment is set up by Nomination, Remuneration and Compensation Committee, which includes criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Sub-section (3) of Section 178 of Companies Act, 2013 ("the Act"). The Remuneration Policy is attached as Annexure - 2 of this Board's Report.

#### **Corporate Social Responsibility**

The details about the Policy on Corporate Social Responsibility (CSR) including initiatives taken on 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.

#### **Vigil Mechanism**

The Company has established a vigil mechanism for Directors and employees of the Company to Report genuine concerns including unethical behavior, actual

or suspected, frauds or violation of Company's code of conduct or ethics etc.

The mechanism also provides for adequate safeguards against victimization of Director(s)/ Employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

The Vigil Mechanism is also available on Company's website at the following web link:

<http://dcmsshriram.com/images/downloads/company-policies/vigil-mechanism.pdf>

#### **Related Party Transactions**

The Company has formulated a policy on dealing with related party transactions, which is also available on Company's website at the following web link:

<http://dcmsshriram.com/images/downloads/company-policies/related-party-transaction-policy.pdf>

There are no contracts or arrangements with related parties under Section 188(1) of the Act, the particulars of which are required to be disclosed as per Section 134(3)(h) of the Act.

#### **Material Subsidiary Policy**

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

<http://dcmsshriram.com/images/downloads/company-policies/material-subsidiary-policy.pdf>

#### **Particulars of Loans, Guarantees or investments**

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

#### **Fixed Deposits**

1. The details relating to deposits, covered under Chapter V of the Act:
  - a) accepted during the year : Rs. 13,59,54,972/-
  - b) remained unclaimed as at the end of the year: Rs.1,31,874/-
  - 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, 2015.
2. There are no deposits, which are in non-compliance with the requirements of Chapter V of the Act.

### Details in respect of adequacy of 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 in 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 Shareholders, vide Special Resolution passed on August 13, 2013 and aligned in accordance with SEBI (Shares Based Employee Benefits) Regulations, 2014. The ESPS Scheme provides for grants of equity shares through Trust, purchased from Secondary Market, to the Eligible Employees as may be decided by Compensation Committee from time to time. The Scheme is a secondary market scheme and no fresh issue of shares is made. There are no voting rights exercised on the shares held by the Trust.

Accordingly, the applicable disclosure as on 31st March, 2015 is as follows:

S. No.	Particulars	Details
(a)	Number of shares issued in FY 14-15 to employees under ESPS scheme.	2,28,500
(b)	Shares not released under ESPS (shares under lock-in as on 31st March, 2015)	13,80,875
(c)	The exercise price	Rs.2/- per share
(d)	Variation of terms	None
(e)	Money realized by exercise of shares	Rs.2/- per share
(f)	Total number of options in force/ Un-appropriated shares	22,57,674
(g)	Employee wise details of shares granted to: (i) Key Managerial Personnel (ii) Any other employee who is granted shares in any one year amounting to five percent or more shares granted during that year. (iii) Identified employees who were granted shares, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	 NIL NIL  NIL

### Directors and Key Managerial Personnel

Shri K.K. Kaul, Whole Time Director and Shri Sharad Shrivastva (LIC Nominee), were appointed the Additional Directors w.e.f. 2.7.2014 and as Directors in the Annual General Meeting of the Company held on 12.8.2014.

Smt. Ramni Nirula was appointed an Additional Director of the Company in the category of Independent Director, w.e.f. 3.2.2015, whose appointment is being

placed before the Shareholders in the ensuing Annual General Meeting.

Shri Ajit S. Shriram, Director retires by rotation, and being eligible, offers himself for re-appointment.

Shri Ajay S. Shriram, Chairman & Sr. Managing Director, Chief Executive Officer, Shri J.K. Jain, Chief Financial Officer and Shri B.L. Sachdeva, Company Secretary, were appointed as Key Managerial Personnel (KMP) of the Company on the existing terms & conditions of their appointment.

Shri Sameet Gambhir joined as Company Secretary and KMP of the Company w.e.f. 1.4.2015.

Shri Rajesh Kandwal (LIC Nominee) has resigned from the Company w.e.f. 11.6.2014.

Shri B.L. Sachdeva, Company Secretary and KMP retired from the services of the Company w.e.f. 31.3.2015.

The Company has received declaration from all the Independent Directors of the Company under Section 149(7) of the Act, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Clause 49 of the Listing Agreement.

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

<http://dcmsriram.com/images/downloads/company-policies/familiarisation-programme-re-independent-directors.pdf>

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

In compliance with requirements of the Act and the Listing Agreement, the formal annual performance evaluation of the Board, its Committees and Individual Directors has been conducted in the following manner:

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

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.



- In respect of the evaluation of Chairman of the Board, the Chairman of NRC collated the inputs from Directors about Chairman's performance as a Director of the Board and/or Chairman or 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, excluding the Director being evaluated.

#### B. Criteria of evaluation as approved by NRC

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

Performance of	Evaluation Criteria
(i) Board as a whole	<ul style="list-style-type: none"> <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 Act and Listing Agreement).</li> <li>Number of Board Meetings held during the year.</li> </ul>
(ii) Board Committees	<ul style="list-style-type: none"> <li>Fulfillment of functions of the Committee with reference to its terms of reference, the Act and the Listing Agreement.</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 Act, the Listing Agreement 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>Board and/or Committee Meetings attended.</li> <li>General Meetings attended.</li> </ul>

#### Particulars of Employees

The details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of 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. 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. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary.

#### Composition of Audit Committee

The Audit Committee comprises of four Independent-Non-Executive Directors, viz., Dr. S.S. Bajjal as Chairman, and Shri Arun Bharat Ram, Shri Pradeep Dinodia and Shri D. Sengupta as Members.

#### Extract of Annual Return

Extract of Annual Return of the Company is attached as Annexure - 4 to this Board's Report.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure - 5 of this Board's Report.

#### Secretarial Audit Report

The Board has appointed M/s. Sanjay Grover & Associates, Company Secretaries, to conduct the Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2015 is attached as Annexure - 6 of this Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### Unclaimed Shares Suspense Account

In terms of Clause 5A of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense accounts, which were issued in physical form:

Balance as on 1.4.2014		No. of Shareholders who approached the Company for transfer of shares and shares transferred from Suspense Account during the year		Balance as on 31.3.2015	
No. of holders	No. of shares	No. of holders	No. of Shares	No. of Holders	No. of Shares
4552	6,73,060	10	2270	4542	6,70,790

The voting rights on the shares in the suspense accounts as on 31<sup>st</sup> March, 2015 shall remain frozen till the rightful owners of such shares claim the shares.

### Buy-back of Shares

During the year, the Company bought back 6,51,712 equity shares of Rs.2/- each and extinguished 7,90,274 equity shares of Rs.2/- each (out of which 1,38,562 equity shares extinguished were bought back during 2013-14). The total equity shares bought back and extinguished during the buyback period (i.e. 5.3.2014 to 4.9.2014) is 34,87,183 equity shares of Rs.2/- each.

### Corporate Governance

The Company is committed to adherence to best corporate governance practices. The separate sections on Management Discussion and Analysis, Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement(s) with the Stock Exchange(s) form part of the Annual Report.

### Auditors

M/s. Deloitte Haskins and Sells, Chartered Accountants, retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

### Cost Auditors

The Company appointed M/s. Bahadur Murao & Co., Cost Accountants, New Delhi as Cost Auditors for the financial year 2015-16, to audit the cost accounting records for its products namely, Fertilisers, Chemicals, Cement, PVC and UPVC Articles.

The Company appointed M/s. J.P. Sarda & Associates, Cost Accountants, Kota as Cost Auditors for the financial year 2015-16 for its DSCL Sugar units including Power selling plants.

### Directors' Responsibility Statement

Your Directors state that:

- a) in preparation of annual accounts for the year ended 31<sup>st</sup> March, 2015, the applicable accounting standards have been followed and there are no material departures;

- b) 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, 2015 and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Industrial Relations

The Company continued to maintain harmonious and cordial relations with its workers 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 and Shareholders 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  
May 1, 2015

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

# Annexure - 1

## Performance and financial position of Company's Subsidiaries, Associates and Joint Ventures

### AOC - 1 - Part "A" : Subsidiaries

(Rs. in crores)

Name of the subsidiary	DCM Shriram Credit and Investments Ltd.	DCM Shriram Foundation	Hariyali Rural Ventures Ltd.	Hariyali Services Ltd.	Shriram Bioseed Ventures Ltd.	DCM Shriram Infrastructure Ltd.	DCM Shriram Aqua Foods Ltd.	Fenesta India Ltd.	Shri Ganpati Fertilizers Ltd.	Shridhar Shriram Foundation	PT Shriram Seed Indonesia	Shriram Bioseed (Thailand) Ltd.	Bioseed Research USA INC.	Shriram Bioseed Ltd., Mauritius	Bioseed Holdings Pte. Ltd., Singapore	Bioseed Research Philippines, INC	Bioseed Vietnam Ltd.	Bioseed Mauritius	PT Shriram Genetics, Indonesia	
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	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. 62.50/ USD	USD RS. 62.50/ USD	USD RS. 62.50/ USD	USD RS. 62.50/ USD	USD RS. 62.50/ USD	USD RS. 62.50/ USD	USD RS. 62.50/ USD	USD RS. 62.50/ USD	USD RS. 62.50/ USD	USD RS. 62.50/ USD
Share capital	6.00	0.01	1.0	0.5	4.05	0.05	8.35	0.05	2.15	0.05	0.51	3.35	0.0013	1.54	9.06	5.16	5.06	11.21	1.78	
Reserves & surplus	-3.48	0.009	0.73	-0.59	19.65	-0.04	-1.043	-5.2	0.11	24.5	-0.009	-9.18	1.8	0.1	66.51	-13.57	-18.7	42.56	-4.04	
Total assets	7.93	0.01	20.3	0.0125	138.8	0.0136	30.47	3.15	9.82	13.4	0.04	11.53	5.27	0.11	146.97	97.74	51.22	13.41	129.68	15.03
Total Liabilities	5.41	0.018	18.56	0.102	115.14	0.001	31.46	0.0056	9.65	35.8	-	20.3	25.98	0.02	72.5	88.34	60.46	75.04	71.79	17.28
Investments	4.62	-	-	-	54.64	-	-	-	-	-	-	-	-	-	17.84	19.57	-	-	11.22	-
Turnover	0.59	-	1.69	0.006	6.58	-	0.14	47.2	18.5	-	9.25	0.4	-	3.74	4.69	52.67	27.88	5.79	-	-
Profit before taxation	-0.07	0.0023	1.66	-	3.03	-0.002	-0.07	0.09	0.04	-4.86	-0.0004	-3.37	-1.73	-0.02	0.25	-0.5	-19.01	-6.93	2.25	-3.46
Provision for taxation	-	-	0.25	-	0.96	-	-	0.03	0.01	-	1.19	-	-	-	-	-	0.09	-	0.05	-0.08
Profit after taxation	-0.07	0.002	1.41	-	2.06	-0.002	-0.07	0.06	0.03	-4.86	-0.0004	-3.58	-1.73	-0.02	0.25	-0.5	-19.1	-6.93	2.2	-3.27
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	81.41%	100%	95%	99.99%	100%	100%	100%	100%	100%	100%	51%	49%

Notes:

- Names of subsidiaries which are yet to commence operations : Nil
- Names of subsidiaries which have been struck off/liquidated during the year : DCM Shriram Energy and Infrastructure Ltd., DCM Shriram Thermal Energy Ltd., DCM Shriram Hydro Energy Ltd., Hariyali India Ltd., Zeus Investments Ltd., Mauritius.

## 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	31.3.2015
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.19.40 Crores
<b>Profit/(Loss) for the year</b>	
i. Considered in Consolidation	Rs. (0.24) Crore
ii. Not Considered in Consolidation	Nil

### Notes :

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

Sameet Gambhir  
Company Secretary

J.K. Jain  
Chief Financial Officer

S.S. Baijal  
Director  
DIN : 00027961

Ajay Shriram  
Chairman &  
Sr. Managing Director  
DIN : 00027137

### REMUNERATION POLICY

#### 1. PREAMBLE

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. On the recommendation of Nomination, Remuneration and Compensation Committee, this policy has been approved by the Board of Directors.

#### 2. OBJECTIVE

The Policy relates to designing the remuneration for the Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs) and other employees of the Company.

#### 3. DEFINITIONS

- a) **"Board"**:-Board means Board of Directors of the Company.
- b) **"Director"**:-Directors means Directors of the Company.
- c) **"Committee"**:-Committee means Nomination, Remuneration and Compensation Committee of the Company as constituted or reconstituted by the Board, from time to time.
- d) **"Company"**:- Company means DCM Shriram Limited.
- e) **"Independent Director"**:- As provided under clause 49 of the Listing Agreement and/or under the Companies Act, 2013 and relevant rules thereto.
- f) **"Key Managerial Personnel"**:- Key Managerial Personnel (KMP) means-
  - (i) the Chairman and Managing Director;
  - (ii) the Company Secretary;
  - (iii) the Chief Financial Officer; and
  - (iv) such other officer as may be prescribed under the applicable statutory provisions/regulations and approved by Board from time to time.
- g) **"Senior Management Personnel"**:- shall mean the personnel of the Company who are members of its Core Management team, excluding the Board of Directors, comprising

all members of management that are one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### 4. KEY PRINCIPLES

The following principles guide the design of remuneration under this Policy:

- (i) Attract, retain and motivate the right talent, including the Directors and Employees as required to meet the goals of the Company.
- (ii) Remuneration to the Directors, KMPs, and SMPs is aligned with the short term and long term goals and performance of the Company.
- (iii) Promote the culture of meritocracy, performance and accountability. Give appropriate weightage to individual business and overall Company's performance.
- (iv) Reflect market trends and practices, competitive positions to attract the required talent.

#### 5. REMUNERATION PAID TO EXECUTIVE DIRECTORS/MANAGING DIRECTORS

- (i) The Remuneration to Executive Directors will be approved by the Board of Directors based on the recommendations of the Committee, subject to the approval of shareholders and such other authorities as may be applicable. The concerned Executive Director will not participate in such discussions of the Board/Committee.
- (ii) The compliance of the relevant provisions of the Companies Act, 2013 and Listing Agreement with Stock Exchanges regarding the limits of remuneration will be ensured.
- (iii) The remuneration will include the following components :
  - (iv) a) **Basic Salary**
    - Provides for a fixed, per month, base level remuneration to reflect the

scale and dynamics of business to be competitive in the external market.

- Will be subject to an annual increase as per the recommendations of the Committee and the approval of the Board of Directors.

**b) Commission**

- Executive Directors will be allowed remuneration, by way of commission in addition to the Basic Salary, Perquisites and any other Allowances, benefits and amenities.
- the total amount of remuneration along with Commission paid to all Executive Directors shall not exceed the limits laid down in Sections 197 and 198 of the Companies Act, 2013.
- The amount of commission shall be paid subject to recommendation of the committee and approval of the Board of Directors.

**c) Perquisites and Allowances**

Perquisites and Allowances commensurate to the position of Executive Directors.

**d) Contribution to Provident, Superannuation fund and Gratuity payments**

**e) Minimum Remuneration**

In the event of absence or inadequacy of profits in any financial year, the remuneration approved by the shareholders excluding commission is paid to Executive Directors as a minimum remuneration, subject to necessary approvals, if any.

**6. REMUNERATION PAID TO NON-EXECUTIVE AND INDEPENDENT DIRECTORS**

The Non-Executive and Independent Directors would be paid remuneration by way of sitting fees for attending meetings of Board or Committee thereof and profit related commissions as approved by Board and Shareholders. The amount of such fees and commissions shall be subject to ceiling/limits as provided under the Companies Act, 2013 and Rules made thereunder or any other enactment for the time being in force.

**7. KMPs/SENIOR MANAGEMENT PERSONNEL/ OTHER OFFICERS & STAFF**

The Remuneration to be paid to KMPs/Senior Management Personnel/other officers & staff is based on the grade, role and position in the Company, the experience, qualification, skills and competencies of the related personnel/employees, the market trends, practices and benchmarks. The positioning strategy is to see that the compensation provides adequate opportunity to attract the required talent and retain the same to be able to meet the requirements of the job and business.

The remuneration is subject to review on the basis of individual and business performance. The performance of employees is reviewed based on competency assessment and key results delivered, along with using a forced distribution method/ bell curve. The performance assessment, more specifically, is used as an input to determine merit/ special increments, performance bonus, rewards, incentives (short term and long term) and other recognitions/promotions.

The remuneration includes salary, allowances, perquisites, awards, loans/advances as per Company's scheme, retirement benefits, benefits under welfare schemes, subsidies, etc.

The objective is to ensure that the compensation engage the employees to give their best performance.

**8. WORKMEN COMPENSATION**

Workmen are paid wages in accordance to the settlement with the recognized union of the workers as per best industry practice, as applicable. Where there is no union, workmen wages are as per the best industry practice and applicable law. All our remuneration components will be in accordance with applicable statutory compliances.

The remuneration includes salary, allowances, perquisites, awards, loans/advances as per Company's scheme, retirement benefits, benefits under welfare schemes, subsidies, etc.

**9. DIRECTORS' AND OFFICERS' INSURANCE**

Where any insurance is taken by the Company on behalf of its Directors, KMPs/Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall

not be treated as part of the remuneration payable to any such personnel.

#### **10. AMENDMENTS**

Notwithstanding the above, the applicable provisions and amendments, if any, under the Companies Act, 2013 and/or Listing Agreement in respect of this policy and related matters shall

be implemented by the Company. The Committee may recommend amendments to this Policy from time to time as it deems appropriate.

#### **11. DISCLOSURE**

The Policy shall be disclosed as required under the Companies Act, 2013 and Listing Agreement and in the Annual Report as prescribed.



## Annexure - 3

Information as per Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 :

S. No.	Name of Director/ KMP and Designation	% increase in Remuneration in the financial year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Shri Ajay S. Shriram Chairman & Sr. Managing Director & KMP	41.79	105:1
2.	Shri Vikram S. Shriram Vice Chairman & Managing Director	40.79	102:1
3.	Shri Ajit S. Shriram Joint Managing Director	58.00	83:1
4.	Shri K.K. Kaul Whole Time Director	4.55	44:1
5.	Dr. N.J. Singh Whole Time Director	(0.97)	17:1
6.	Dr. S.S. Bajjal Non-Executive Director	(1.62)	11:1
7.	Shri Arun Bharat Ram Non-Executive Director	11.61	3:1
8.	Shri Pradeep Dinodia Non-Executive Director	7.30	8:1

S. No.	Name of Director/ KMP and Designation	% increase in Remuneration in the financial year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees
9.	Shri Vimal Bhandari Non-Executive Director	1.20	2:1
10.	Shri Sunil Kant Munjal Non-Executive Director	36.53	3:1
11.	Shri D.Sengupta Non-Executive Director	(13.10)	7:1
12.	Mrs. Ramni Nirula Non-Executive Director	N.A.	2:1
13.	*Shri Sharad Shrivastva/Shri Rajesh Kandwal Nominee Director(LIC)	(6.70)	3:1
14.	Shri B.L. Sachdeva Company Secretary & KMP	115.43**	--
15.	Shri J.K. Jain Chief Financial Officer & KMP	7.40	--

\* Remuneration in case of LIC Nominee Directors was paid to LIC of India.

\*\*Includes retiral benefits.

(ii) In the financial year, there was an increase of 14.68% in the median remuneration of employees.

(iii) There were 4572 permanent employees on the rolls of the Company as on 31st March, 2015.

(iv) Relationship between average increase in remuneration and Company performance:

For the financial year ended 31st March, 2015, the average increase in the remuneration of employees



was 13.78% and the decrease in the profit before tax of the Company was 16.34%.

(v) **Comparison of the remuneration of the key managerial personnel against the performance of the Company :**

Aggregate remuneration of Key Managerial Personnel (KMP) for the financial ended 31st March, 2015 (Rs. Lacs)	587
Profit before Tax (PBT) (Rs. Lacs)	25709
Remuneration of KMP (as % of PBT)	2.28

(vi) (a) **Variations in the market capitalization of the Company :**

Particulars	31st March, 2015	31st March, 2014	%Change
Market Capitalisation (Rs. Crores)	1744.35	1505.58	15.86%

(b) Price earnings ratio as on 31st March, 2015 was 7.21% and as on 31st March, 2014 was 5.57%,

(c) **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

The Company has not made any public offer.

(vii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15

was 12.70% whereas the increase in managerial remuneration for the same financial year was 35.96%.

(viii) **Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:**

Particulars	Shri Ajay S. Shriram Chairman & Sr. Managing Director & KMP	Shri B.L. Sachdeva Company Secretary & KMP	Shri J.K. Jain Chief Financial Officer & KMP
Remuneration in Financial year 2014-15 (Rs. Lacs)	379	89	119
Profit before Tax (PBT) (Rs. Lacs)	25709		
Remuneration (as % of PBT)	1.47	0.35	0.46

(ix) The key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination, Remuneration and Compensation Committee within the ceiling approved by the members of the Company under the applicable provisions of the Act.

(x) **The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year :** None.

(xi) **Affirmation that the remuneration is as per the remuneration policy of the Company :**

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

## FORM NO. MGT-9

**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31<sup>st</sup> March, 2015

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

<b>I. REGISTRATION AND OTHER DETAILS</b>	
i) CIN	L74899DL1989PLC034923
ii) Registration Date	6.2.1989
iii) Name of the Company	DCM Shriram Limited (Formerly DCM Shriram Consolidated Limited)
iv) Category/Sub-Category of the Company	Public Company Limited by shares
v) Address of the Registered Office and contact details	5th Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi - 110 001 Tel : 011-23316801 Fax : 011-23318072
vi) Whether listed Company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent	M/s. MCS Share Transfer Agent Limited F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020 Tel. Nos. 011-41406149, 41406151-52 Fax No. 011-41709881 E-mail: admin@mcsregistrars.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. No.	Name and description of main products/ services	NIC Code of the product/service	% to total turnover of the Company
1.	Sugar	206, Manufacture and Refining of Sugar	15.83
2.	Fertilizer	301, Manufacture of fertilizers and pesticides	12.70
3.	Caustic Soda	300.8 Manufacture of Basic Inorganic Chemicals N.E.C.	12.37

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Sumant Investments Pvt. Limited	A-37, Vasant Marg, Vasant Vihar, New Delhi -110057	U65993DL1986 PTC189009	Holding	60.51	2(46)
2.	Bioseed India Limited	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001	U01112DL1992PLC047825	Subsidiary	100.00	2(87)
3.	DCM Shriram Infrastructure Limited	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001	U18101DL1996PLC078732	Subsidiary	100.00	2(87)
4.	DCM Shriram Credit and Investments Limited	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001	U65993DL1992PLC049517	Subsidiary	100.00	2(87)

S. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
5.	DCM Shriram Aqua Foods Limited	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001	U05004DL1993PLC156164	Subsidiary	100.00	2(87)
6.	Fenesta India Limited	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001	U74120DL2008PLC185966	Subsidiary	100.00	2(87)
7.	DCM Shriram Foundation	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001	U65923DL2007NPL170953	Subsidiary	100.00	2(87)
8.	Hariyali Services Limited (Formerly Hariyali Insurance Broking Limited)	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001	U74120DL2008PLC186193	Subsidiary	100.00	2(87)
9.	Hariyali Rural Ventures Limited	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001	U51909DL2007PLC171615	Subsidiary	100.00	2(87)
10.	Shridhar Shriram Foundation	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001	U85100DL2010NPL198887	Subsidiary	100.00	2(87)
11.	Shriram Bioseed Ventures Limited	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001	U45400DL2007PLC163026	Subsidiary	100.00	2(87)
12.	Shri Ganpati Fertilizers Limited	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001	U24110DL1995PLC223806	Subsidiary	81.41	2(87)
13.	Bioseeds Holdings Pte. Limited, Singapore	17, Phillip Street, #05-01, Grand Building, Singapore-048695	---	Subsidiary	100.00	2(87)
14.	Bioseeds Limited, Mauritius	Suite 2004, Level 2, Alexander House,35 Cyber city, Ebene- Mauritius	---	Subsidiary	51.00	2(87)
15.	Bioseed Research Philippines Inc.	National Hi-way, Katangawan, General Santos City, Philippines	---	Subsidiary	100.00	2(87)
16.	Bioseeds Research USA Inc.	203 North LaSalle Street, Suite 2500, Chicago, IL- 60601 (USA)	---	Subsidiary	100.00	2(87)
17.	Bioseed Vietnam Limited	Room No.348, 3rd Floor, Binh Minh Hotel, 27 Ly Thai To Street, Hoan Kiem, District- Hanoi- Vietnam	---	Subsidiary	100.00	2(87)
18.	PT. Shriram Genetics, Indonesia	Mayapada Tower 1, Lantai 07 Suites 06 F/E, Jl. Jenderal Sudirman, Kav. 28,Kel. Karet, Kec. Setiabudi, Jakarta Selatan-12920, Indonesia	---	Subsidiary	49.00	2(87)

S. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
19.	PT. Shriram Seed, Indonesia	Mayapada Tower 1, Lantai 07 Suites 06 F/E, Jl. Jenderal Sudirman, Kav. 28, Kel. Karet, Kec. Setiabudi, Jakarta Selatan-12920, Indonesia	---	Subsidiary	95.00	2(87)
20.	Shriram Bioseeds Limited, Mauritius	Suite 2004, Level 2, Alexander House, 35 Cybercity, Ebene- Mauritius	---	Subsidiary	100.00	2(87)
21.	Shriram Bioseed (Thailand) Limited	48/145, MOO.12 Tumbol Thankasem, Amphur Phraputtabaht, 18120- Saraburi-Thailand	---	Subsidiary	99.99	2(87)
22.	Shriram Axiall Pvt. Limited	5th Floor Kanchenjunga Building, 18 Barakhamba Road, New Delhi -110001	U74120DL2008PTC185967	Joint Venture	50.00	2(6)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year (as on 1.4.2014)				No. of shares held at the end of the year (as on 31.3.2015)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters (1) Indian</b>									
a) Individual/HUF	5461050	--	5461050	3.35	5461050	--	5461050	3.36	0.01
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt(s).	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	98282744	--	98282744	60.22	98282744	--	98282744	60.52	0.30
e) Banks/FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (1):-</b>	<b>103743794</b>	<b>--</b>	<b>103743794</b>	<b>63.57</b>	<b>103743794</b>	<b>--</b>	<b>103743794</b>	<b>63.88</b>	<b>0.31</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks/FI	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (2):-</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total shareholding of Promoter (A) = (A) (1) + (A)(2)</b>	<b>103743794</b>	<b>--</b>	<b>103743794</b>	<b>63.57</b>	<b>103743794</b>	<b>--</b>	<b>103743794</b>	<b>63.88*</b>	<b>0.31</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	263088	--	263088	0.16	161887	--	161887	0.10	(0.06)
b) Banks/FI	24830	19200	44030	0.03	33019	19200	52219	0.03	--
c) Central Govt.	--	--	--	--	--	--	--	--	--

d) State Govt(s).	--	29640	29640	0.02	--	29640	29640	0.02	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	17553155	--	17553155	10.76	16930443	--	16930443	10.42	(0.34)
g) FILs	1043072	500	1043572	0.64	2899242	500	2899742	1.79	1.15
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(1):-</b>	<b>18884145</b>	<b>49340</b>	<b>18933485</b>	<b>11.60</b>	<b>20024591</b>	<b>49340</b>	<b>20073931</b>	<b>12.36</b>	<b>0.76</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.									
i) Indian	4736331	25300	4761631	2.92	3761428	24270	3785698	2.33	(0.59)
ii) Overseas	--	15105550	15105550	9.26	--	15105550	15105550	9.30	0.04
iii) Non-promoter and non-public shareholding-DCM Shriram Employees Benefits Trust	--	--	--	--	3638549	--	3638549	2.24	2.24
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	11218101	3961255	15179356	9.30	10094142	3757267	13851409	8.53	(0.77)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4428688	--	4428688	2.71	1457701	--	1457701	0.90	(1.81)
c) Others	593045	460862	1053907	0.65	298644	460861	759505	0.47	(0.18)
<b>Sub-total (B)(2):-</b>	<b>20976165</b>	<b>19552967</b>	<b>40529132</b>	<b>24.83</b>	<b>19250464</b>	<b>19347948</b>	<b>38598412</b>	<b>23.77</b>	<b>(1.06)</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>39860310</b>	<b>19602307</b>	<b>59462617</b>	<b>36.43</b>	<b>39275055</b>	<b>19397288</b>	<b>58672343</b>	<b>36.12</b>	<b>(0.31)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Grand Total (A + B + C)</b>	<b>143604104</b>	<b>19602307</b>	<b>163206411</b>	<b>100.00</b>	<b>143018849</b>	<b>19397288</b>	<b>162416137</b>	<b>100.00</b>	<b>--</b>

## ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Sumant Investments (P) Limited	98,282,284	60.22	0	98,282,284	60.51	0	0.29
2	Ajit S. Shriram	595,580	0.36	0	595,580	0.37	0	0.01
3	Ajay S. Shriram (HUF)	559,330	0.34	0	559,330	0.34	0	0
4	Vikram S. Shriram (HUF)	550,200	0.34	0	550,200	0.34	0	0
5	Vikram S. Shriram	503,310	0.31	0	503,310	0.31	0	0
6	Ajit S. Shriram (HUF)	500,000	0.31	0	500,000	0.31	0	0
7	Ajay S. Shriram	493,780	0.30	0	493,780	0.30	0	0
8	Tara A. Shriram (Minor)	299,900	0.18	0	299,900	0.18	0	0
9	Anand A. Shriram	298,070	0.18	0	298,070	0.18	0	0
10	Nainika V. Shriram	297,900	0.18	0	297,900	0.18	0	0
11	Aditya A. Shriram	297,760	0.18	0	297,760	0.18	0	0
12	Pranav V. Shriram	297,190	0.18	0	297,190	0.18	0	0
13	Varun A. Shriram	296,900	0.18	0	296,900	0.18	0	0
14	Kavita V. Shriram	78,680	0.05	0	78,680	0.05	0	0
15	Vandana A. Shriram	78,340	0.05	0	78,340	0.05	0	0
16	Prabha Shridhar	218,900	0.12	0	218,900	0.13	0	0.01
17	Charni Vinod Kumar	35,700	0.02	0	35,700	0.02	0	0
18	Richa A. Shriram	34,900	0.02	0	34,900	0.02	0	0
19	Ambika Jaipal Singh	16,500	0.01	0	16,500	0.01	0	0
20	Om Prakash Jhalani	3,000	0.00	0	3,000	0.00	0	0
21	Anoop Jhalani	2,010	0.00	0	2,010	0.00	0	0
22	Om Prakash Jhalani	2,000	0.00	0	2,000	0.00	0	0
23	Lala Shridhar (HUF)	1,100	0.00	0	1,100	0.00	0	0
24	Shriudyog Marketing Pvt. Limited	460	0.00	0	460	0.00	0	0
	<b>Total</b>	<b>103,743,794</b>	<b>63.57</b>	<b>0</b>	<b>103,743,794</b>	<b>63.88</b>	<b>0</b>	<b>0.31</b>

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

S. No.		Shareholding at the beginning of the year (as on 1.4.2014)		Cumulative Shareholding during the year (1.4.2014 to 31.3.2015)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	103,743,794	63.57	#	
2.	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease	#			
3.	At the end of the year	103,743,794	63.88*		

**Notes :** # There is no change in the total shareholding of Promoters between 1.4.2014 and 31.3.2015.

\* The change in % of the total shares from 63.57% to 63.88% is due to Buy Back of shares by the Company.

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

S. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (1.4.2014 to 31.3.2015)	
		No. of shares & percentage at the beginning/end of the year*					No. of shares	% of total shares of the Company*
		1.4.2014	31.3.2015					
1.	Life Insurance Corporation of India	12863749 [7.88%]	12863749 [7.92%]	1.4.2014 31.3.2015	0	Nil	12863749	7.92
2.	Stepan Holdings Limited	7085000 [4.34%]	7085000 [4.36%]	1.4.2014 31.3.2015	0	Nil	7085000	4.36
3.	Ristana Services Limited	4804550 [2.94%]	4804550 [2.95%]	1.4.2014 31.3.2015	0	Nil	4804550	2.95
4.	Rajinder Kumar Chhabra#	2466174 [1.51%]	0 [0.00%]	1.4.2014	2466174			
				6.6.2014	(2466174)	Transfer to another Trustee	0	0
				31.3.2015	0	--	--	0
5.	The New India Assurance Company Limited	1985182 [1.22%]		1.4.2014	--	--	1985182	1.22
				23.5.2014	(70000)	Sale	1915182	1.18
				6.6.2014	(43372)	Sale	1871810	1.15
				20.6.2014	(86628)	Sale	1785182	1.10
				28.8.2014	(12909)	Sale	1772273	1.10
				29.8.2014	(15100)	Sale	1757173	1.08
				5.9.2014	(54403)	Sale	1702770	1.04
				12.9.2014	(60000)	Sale	1642770	1.01
				19.9.2014	(5019)	Sale	1637751	1.01
				30.9.2014	(39985)	Sale	1597766	0.98
				10.10.2014	(60318)	Sale	1537448	0.94
				17.10.2014	(8734)	Sale	1528714	0.94
			31.10.2014	(1653)	Sale	1527061	0.94	
	1527061 [0.94%]	31.3.2015	--	--	1527061	0.94		
6.	Sal Perton Limited	1650000 [1.01%]	1650000 [1.01%]	1.4.2014- 31.3.2015	0	Nil	1650000	1.01
7.	Turnstone Investment Limited	1566000 [0.95%]	1566000 [0.96%]	1.4.2014- 31.3.2015	0	Nil	1566000	0.96
8.	Exemplary Management Services Private Limited	1489000 [0.91%]		1.4.2014	--	--	1489000	0.91
				2.5.2014	28000	Change pursuant to ESPS Scheme of the Company	1517000	0.93
				16.5.2014	80000		1597000	0.98
				23.5.2014	30000		1627000	1.00
				6.6.2014	(249625)		1377375	0.85
				18.7.2014	(95000)		1282375	0.79
				5.9.2014	(13750)		1268625	0.78
				12.9.2014	51500		1320125	0.81
				19.9.2014	4500		1324625	0.82
				10.10.2014	4500		1329125	0.82
				17.10.2014	5000		1334125	0.82
				31.10.2014	70500		1404625	0.86
				14.11.2014	(60000)		1344625	0.83
				21.11.2014	5000		1349625	0.83
				12.12.2014	15000		1364625	0.84
				31.12.2014	10000		1374625	0.85
				16.1.2015	6250		1380875	0.85
				1380875 [0.85%]	31.3.2015		--	1380875

S. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (1.4.2014 to 31.3.2015)	
		No. of shares & percentage at the beginning/end of the year*					No. of shares	% of total shares of the Company*
		1.4.2014	31.3.2015					
9.	Max Life Insurance Company Limited##	1020335 [0.63%]	--	1.4.2014	--	--	1020335	0.63
				20.6.2014	(301344)	Sale	718991	0.44
				30.6.2014	513034	Purchase	1232025	0.76
				4.7.2014	200470	Purchase	1432495	0.88
				11.7.2014	249000	Purchase	1681495	1.04
				5.9.2014	139709	Purchase	1821204	1.12
				12.9.2014	52687	Purchase	1873891	1.15
				30.9.2014	99073	Purchase	1972964	1.21
				10.10.2014	159929	Purchase	2132893	1.31
				17.10.2014	90000	Purchase	2222893	1.37
				31.10.2014	230000	Purchase	2452893	1.51
				28.11.2014	(34088)	Sale	2418805	1.49
		30.1.2015	408971	Purchase	282776	0.17		
6.2.2015	5088	Purchase	2832864	1.74				
	2832864 [1.74%]	31.3.2015	--	--	2832864	1.74		
10	Ocean Dial Gateway To India Mauritius Limited	--	--	1.4.2014	--	--	--	--
				30.9.2014	247069	Purchase	247069	0.15
				10.10.2014	3237	Purchase	250306	0.15
				14.11.2014	67534	Purchase	317840	0.20
				15.12.2014	104620	Purchase	422460	0.26
				19.12.2014	21777	Purchase	444237	0.27
				31.12.2014	55763	Purchase	500000	0.31
			500000 [0.31%]	31.3.2015	--	--	500000	0.31

\* The change in % of the total shares is due to Buy Back of shares by the Company.

# Ceased to be in the list of Top 10 shareholders as on 31.3.2015. The same is reflected above since the shareholder was on of the Top 10 shareholder as on 1.4.2014.

## Not in the list of Top 10 shareholders as on 1.4.2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.3.2015.

#### v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name of Directors	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (1.4.2014 to 31.3.2015)	
		No. of shares & percentage at the beginning/end of the year*					No. of shares	% of total shares of the Company*
		1.4.2014	31.3.2015					
1.	Shri Ajay S. Shriram Chairman & Sr. Managing Director & Key Managerial Personnel	493780 [0.30%]	493780 [0.30%]	1.4.2014- 31.3.2015	0	Nil	493780	0.30
2.	Shri Vikram S. Shriram Vice Chairman & Managing Director	503310 [0.31%]	503310 [0.31%]	1.4.2014- 31.3.2015	0	Nil	503310	0.31
3.	Shri Ajit S. Shriram Joint Managing Director	595580 [0.36%]	595580 [0.37%]	1.4.2014- 31.3.2015	0	Nil	595580	0.37



S. No.	Name of Directors	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (1.4.2014 to 31.3.2015)	
		No. of shares & percentage at the beginning/end of the year*					No. of shares	% of total shares of the Company*
		1.4.2014	31.3.2015					
4.	Shri K.K. Kaul Whole Time Director	59000 [0.04%]	59000 [0.04%]	1.4.2014- 31.3.2015	0	Nil	59000	0.04
5.	Dr. N.J. Singh, Whole Time Director	3000 [0.00%]		1.4.2014			3000	0.00
				2.6.2014	2500	Purchase	5500	0.00
				23.6.2014	(2500)	Sale	3000	0.00
				30.6.2014	(1000)	Sale	2000	0.00
			31.12.2014	1000	Purchase	3000	0.00	
		3000 [0.00%]	31.3.215	--	--	3000	0.00	
6.	Dr. S.S. Baijal Non-Executive Director	50000 [0.03%]	50000 [0.03%]	1.4.2014- 31.3.2015	0	Nil	50000	0.03
7.	Shri Arun Bharat Ram Non-Executive Director	0 [0.00%]	0 [0.00%]	1.4.2014- 31.3.2015	0	Nil	0	0.00
8.	Shri Pradeep Dinodia Non-Executive Directo	29270 [0.02%]	29270 [0.02%]	1.4.2014- 31.3.2015	0	Nil	29270	0.02
9.	Shri Vimal Bhandari Non-Executive Director	2000 [0.00%]	2000 [0.00%]	1.4.2014- 31.3.2015	0	Nil	2000	0.00
10.	Shri Sunil Kant Munjal Non-Executive Director	0 [0.00%]	0 [0.00%]	1.4.2014- 31.3.2015	0	Nil	0	0.00
11.	Shri D.Sengupta Non-Executive Director	20000 [0.01%]	20000 [0.01%]	1.4.2014- 31.3.2015	0	Nil	20000	0.01
12.	Mrs. Ramni Nirula Non-Executive Director#	0 [0.00%]	0 [0.00%]	1.4.2014- 31.3.2015	0	Nil	0	0.00
13.	Shri Rajesh Kandwal Nominee Director##	0 [0.00%]	0 [0.00%]	1.4.2014- 31.3.2015	0	Nil	0	0.00
14.	Shri Sharad Shrivastva Nominee Director###	0 [0.00%]	0 [0.00%]	1.4.2014- 31.3.2015	0	Nil	0	0.00
Key Managerial Personnel (KMPs)								
1.	Shri B.L. Sachdeva Company Secretary	7910 [0.00%]		1.4.2014	--	--	7910	0.00
				10.6.2014	(900)	Sale	7010	0.00
				13.6.2014	(1150)	Sale	5860	0.00
				16.6.2014	(960)	Sale	4900	0.00
				19.6.2014	(950)	Sale	3950	0.00
				16.1.2015	(980)	Sale	2970	0.00
				10.2.2015	(970)	Sale	2000	0.00
				17.2.2015	(950)	Sale	1050	0.00
			20.2.2015	(950)	Sale	100	0.00	
	100 [0.00%]	31.3.2015	--	--	100	0.00		
2.	Shri J.K. Jain Chief Financial Officer	10000 [0.00%]	[0.00%]	1.4.2014	--	--	10000	0.00
				6.6.2014	10000	Purchase	20000	0.01
				14.11.2014	1260	Purchase	21260	0.01
			21260 [0.01%]	31.3.2015	--	--	21260	0.01

\* The change in % of the total shares is due to Buy Back of shares by the Company.

# Appointed w.e.f. 3.2.2015

## Ceased w.e.f. 11.6.2014

### Appointed w.e.f. 2.7.2014

## V. INDEBTEDNESS

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

(Rs. in Crores)

Description	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year.				
i) Principal Amount	1041.17	83.89	29.93	1154.99
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	14.51	0.20	0.31	15.02
<b>Total (i + ii + iii)</b>	<b>1055.68</b>	<b>84.09</b>	<b>30.24</b>	<b>1170.01</b>
Change in Indebtedness during the financial year				
• Addition	950.39	39.16	13.60	1003.15
• Reduction	1290.18	96.60	29.38	1416.16
<b>Net Change</b>	<b>(339.79)</b>	<b>(57.44)</b>	<b>(15.78)</b>	<b>(413.01)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	703.70	26.40	14.15	744.25
ii) Interest due but not paid	--	--	--	-
iii) Interest accrued but not due	12.19	0.25	0.36	12.80
<b>Total (i + ii + iii)</b>	<b>715.89</b>	<b>26.65</b>	<b>14.51</b>	<b>757.05</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. REMUNERATION TO MANAGING DIRECTORS, WHOLE-TIME DIRECTORS AND/OR MANAGER

(Rs. in Lacs)

Sl. No	Particulars of Remuneration	Name of MD/WTD					Total Amount
		Ajay S. Shriram Chairman & Sr. Managing Director	Vikram S. Shriram Vice Chairman & Managing Director	Ajit S. Shriram Joint Managing Director	K.K. Kaul Whole Time Director	Dr. N.J. Singh Whole Time Director (EHS)	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	143.41	143.31	102.25	142.13	46.83	577.93
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	70.96	67.17	57.41	9.25	4.92	209.71
	(c) Profit in lieu of salary u/s 17(3) of Income Tax Act, 1961	-	-	-	-	-	-
2.	Stock option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission						
	- as % of profits	150.00	145.00	130.00	40.00	10.00	475.00
	- others	-	-	-	-	-	-
5.	Others (Contribution to PF)	14.83	14.40	10.66	7.43	3.17	50.49
	<b>Total A</b>	<b>379.20</b>	<b>369.88</b>	<b>300.32</b>	<b>198.81</b>	<b>64.92</b>	<b>1313.13</b>
	Ceiling as per the Act	Rs.26.86 Crores (being 10% of Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)					

## B. REMUNERATION TO OTHER DIRECTORS

(Rs. in Lacs)

S. No.	Particulars of Remuneration	Nominee Director	Independent Director							Total Amount
		Sharad Shrivastva/ Rajesh Kandwal	Dr. S.S. Baijal	Arun Bharat Ram	Pradeep Dinodia	Vimal Bhandari	Sunil Kant Munjal	D. Sengupta	Ramni Nirula	
1.	- Fee for attending Board/Committee meetings	0.95	4.23	1.40	3.90	0.55	1.10	3.03	0.20	15.36
2.	- Commission	9.50	36.50	11.10	25.50	7.90	10.30	22.30	6.30	129.40
	<b>Total B</b>	<b>10.45</b>	<b>40.73</b>	<b>12.50</b>	<b>29.40</b>	<b>8.45</b>	<b>11.40</b>	<b>25.33</b>	<b>6.50</b>	<b>144.76</b>
	<b>Total Managerial Remuneration (A + B)</b>									<b>1453.30</b>
	Overall Ceiling as per the Act	Rs.29.55 Crores (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)								

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MDs/MANAGER/WTDS

(Rs. in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Ajay S. Shriram Chairman & Sr. Managing Director, CEO	J.K. Jain Chief Financial Officer	B.L. Sachdeva Company Secretary	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	143.41	96.71	80.77	320.89
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	70.96	17.31	5.35	93.62
	(c) Profit in lieu of salary u/s 17(3) of Income Tax Act, 1961				
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profits	150.00	-	-	150.00
	- others	-	-	-	-
5.	Others(Contribution to PF)	14.83	5.22	2.65	22.70
	<b>Total</b>	<b>379.20</b>	<b>119.24</b>	<b>88.77</b>	<b>587.21</b>

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

## ANNEXURE - 5

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and outgo require under the Companies (Accounts) Rules, 2014.

### A) Conservation of energy

#### (i) the steps taken on conservation of energy;

- Periodical energy audits, pressure drop reduction measures and optimization of operating parameters have been done in the Fertiliser Plant.
- Advance Process Control System for Ammonia plant and facility for surplus ammonia sale was commissioned.
- Use of single Caustic Pump between pair of two VC reactor instead of two individual pumps. Implemented for 3 Pairs of reactor.
- Carbide breaking system was commissioned in old Cooling hall and few apron conveyors and a Jaw crusher was stopped.
- New Burnt Lime fines Briquetting machine was commissioned to optimize operations for reducing power consumption.
- Anode and Membrane replacement and conversion of Electrolyser # A and C to Zero gap technology.
- Various power saving initiatives like lower RPM motors, installation of VFD, Impeller trimming in Brine transfer pump etc. has been implemented resulting in power/energy saving.
- Project of revamp of Benfield CO<sub>2</sub> removal system in Ammonia Plant is under implementation.
- Conversion to Zero gap Technology for Electrolyser # D has been planned along with Anode and Membrane replacement.
- Cathode and Membrane replacement in Electrolyser # E.
- Optimization of plant lighting etc.
- Heat recovery from flue gas by installing air preheater;

- Replacement of Anodes in Electrolyser B & D.
- Replacement of membrane in Electrolyser C & G.
- Providing VFD in Caustic Soda Pump.
- Providing VFD in Return Brine Pump.
- Application of anti friction coating in Power Plant Cooling Tower Pump.
- Stabilisation of LTEM, a steam saving device to tap waste heat from Pan & Evaporator.
- Synchronization of 2 nos. TG (12 MW & 13 MW) at Hariawan & Loni units.

#### (ii) the steps taken by the Company for utilising alternate sources of energy;

- Use of biomass as fuel for Power Plant.
- Use of pet coke instead of Coal in Cement and power plants.
- Optimally utilisation of hydrogen (which was earlier being dissipated) in boiler as fuel, substituting coal.

#### (iii) the capital investment on energy conservation equipments

- Capital investment of Rs. 144.0 Lacs by installing Air Pre Heater for waste heat recovery from flue gas.
- Purchase of Energy Conservation equipments for Sugar Plants worth Rs.582.43 Lacs.

### B) Technology Absorption

#### (i) the efforts made towards technology absorption

- Earlier Carbide cakes were broken by dropping them from a height. This was a crude method and was causing noise and dust nuisance. A new concept was developed in house to use Back Hoe attachment of JCB machine for breaking the Carbide cake.
- This has been done by the Company as a new development and is not being practiced anywhere in world for this duty. This is now operating successfully.

- Varieties evaluation based on adaptability in our area.
- Water conservation technologies trials
  - Drip System
  - Gated Pipe
  - Land Leveling
  - Trash mulching
  - Furrow irrigation
  - Water Gel Application.
- Bio control Measures for control of Borers
  - Production of Trichogramma and Tetrastichus.
- Soil nutrient Analysis through soil testing lab
- Trials of Bio Activator
- Use of liquid fertilizer: Blago-B.

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

- Successful commissioning of Carbide breaking system for breaking of Carbide cakes will result in saving of ~ 1 kwh/ MT of Carbide ie 1.1 lac kwh/year. In addition there has been saving due to higher production by ~ 100 MT/year.
- Varieties evaluation based on adaptability in our area:
  - Gain in recovery approx: 0.50%.
  - Gain in yield approx: 15-20%.
- Water conservation activities:
  - Drip Tech system-Water saving by 40% Approx.
  - Gated Pipe-Water saving by 20% Approx.
  - Land leveling-Water saving by 28% Approx.
  - Water Gel Application-Water saving by 25% Approx.
  - Furrow Irrigation-Water saving by 16% Approx.

- Bio Control Measures:
  - Use of Tetrastichus and Trichogramma is eco-friendly.
  - These measures may reduce cost by Approx 70%.
- Soil Test Based fertilizer Application in Crop:
  - Balance use of fertilizer may cut cost by Approx 7 - 8%.

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

**Sugar Plant**

a)	Technology Imported	Multi Bed Filtration System
b)	Year of import	2010
c)	Whether technology has been fully absorbed	Yes
d)	If technology not fully absorbed, reason for same & future plan of action	-
a)	Technology Imported	De-sweetening System.
b)	Year of import	2010
c)	Whether technology has been fully absorbed	Partly
d)	If technology not fully absorbed, reason for same & future plan of action	Raw sugar processing is not adopted now.

**Chemicals**

a)	Technology Imported	Anode and Membrane replacement along with Zero gap conversion of Electrolyser # A & D.
b)	Year of import	2013-14
c)	Whether technology has been fully absorbed	Yes, For one Electrolyser
d)	If technology not fully absorbed, reason for same & future plan of action	-

(iv) the expenditure incurred on Research and Development.

	Rs./Lacs	
	2014-15	2013-14
a) Capital	65.15	215.91
b) Revenue	4421.00	4068.00
c) Total	4486.15	4283.91
d) Total R & D expenditure as percentage of total turnover	0.79	0.68

**C) Foreign exchange earnings and Outgo**

Total foreign exchange used and earned:

	Rs./Crores	
	2014-15	2013-14
- Total foreign exchange used	494.48	825.21
- Total foreign exchange earned	5.90	7.22

## Annexure – 6

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED  
31<sup>st</sup> MARCH, 2015

*[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 (formerly known as DCM Shriram Consolidated Limited)  
(CIN: L74899DL1989PLC034923)  
5th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DCM Shriram Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

#### We report that-

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 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 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 procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 ("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, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares



- and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above.

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

- **Agri-Rural Business**

Urea & SSP fertilizers, Sugar, Farm inputs marketing such as DAP, Crop care Chemicals, Hybrid Seeds.

- **Chlor-Vinyl Business**

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

The Company has manufacturing facilities of Fertiliser, Chloro Vinyl & Cement in Kota (Rajasthan). The Company operates coal-based captive power,

facilities - in Kota rated at 133 MW and 55 MW in Bharuch (Gujarat). The Urea plant in Kota has a Production capacity of 379,000 TPA & Chlor-Alkali capacity of 765 TPD in both Kota & Bharuch. Further, Sugar factories are located in Ajbapur, Rupapur, Hariawan and Loni in Uttar Pradesh, with a combined installed capacity of 33,000 TCD (tonnes crushed daily). The Hybrid seed operations- 'Bioseed' started in Hyderabad (India) and now have a global footprint with presence in Vietnam, Philippines and Indonesia. Fenesta windows fabrication units are located in Bhiwadi, 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 period under review were carried out in compliance with the provisions of the Act.

Advance seven days notices are given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items

before the meeting for meaningful participation at the meeting.

Board decisions are 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 the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period:-

- a) the Members of the Company at its Annual General Meeting held on 12th August, 2014 passed the special resolution(s)-
  - i. pursuant to section 180(1)(a) of the Act for creation of charge, hypothecate, mortgage, pledge, any movable or immovable property of the company for an amount not exceeding Rs. 2500 Crores (Rupees Two Thousand and Five Hundred Crores only); and
  - ii. pursuant to section 180(1)(c) of the Act for fixing the borrowing limits of the company for an amount not exceeding Rs. 2500 Crores (Rupees Two Thousand and Five Hundred Crores only).

- b) the Company bought back 6,51,712 equity shares of Rs.2/- each and extinguished 7,90,274 equity shares of Rs.2/- each (out of which 1,38,562 equity shares extinguished were bought back during 2013-14). The total equity shares bought back and extinguished during the buyback period (i.e. 5.3.2014 to 4.9.2014) is 34,87,183 equity shares of Rs.2/- each and a return in e-form SH-11 vide SRN dated October 6, 2014 was filed with the Registrar of Companies.

Further, during the audit period, there were no instances of:

- (i) Public/Rights/Preferential issue of shares/debentures/sweat equity.
- (ii) Redemption of securities.
- (iii) Merger/Amalgamation/Reconstruction.
- (iv) Foreign technical collaborations.

for Sanjay Grover & Associates  
Company Secretaries

May 1, 2015  
New Delhi

Sanjay Grover  
FCS No.: 4223  
C P No.: 3850

## Corporate Social Responsibility

The Company has had an abiding commitment towards social responsibilities right since its inception. The Company believes in engaging with different stakeholders and in giving back to the communities that it engage with.

### Brief Outline of Corporate Social Responsibility (CSR) Policy

The Company has its CSR Policy, duly approved by the Board of Directors. The Policy was formulated and recommended to the Board by the CSR Committee.

The CSR Policy of the Company is a reflection of its commitment to engage and work closely with the Community and Society. The programs and projects under the policy are designed to contribute towards social development and to be implemented meticulously to make a positive contribution and impact.

The CSR Vision, Policy and programs are overseen by the Board of the Company through its CSR Committee and supported by a team of professionals with a deep passion towards societal development.

The Company believes in designing its CSR initiatives in line with the priorities of the Government and needs of the local Community. CSR Projects are aligned with the requirements of Schedule VII of Section 135 of the Companies Act, 2013 as applicable from time to time.

### Overview of Projects/Programs Undertaken

#### A. Education, Livelihood/Vocational skills

The Company continues to support Education activities with a special focus on protecting the future of the girl child. It has instituted scholarships in various Government Educational Institutions to encourage meritorious students.

In Kota (Rajasthan), the Company has instituted scholarship programs that encourage students to pursue advanced academic studies.

The Company works extensively with farmers around its Agri Business locations like Fertiliser, Farm Solutions, Sugar & Seeds, to increase farm productivity.

Meetha Sona Project in association with IFC is helping to increase the productivity of farm, promote water management, improve Soil fertility & promote agri mechanisation.

#### B. Healthcare

Health advisory camps, Blood donation camps and vaccination camps conducted in association with Red Cross Society & Government hospitals are a regular feature of Company's Health initiative in all its units, including Kota, Bharuch, Fenesta and Sugar.

'Khushali Sehat', initiated in collaboration with local NGOs, is a popular Health initiative in Sugar locations. It reaches out to over 7000 families in 40 villages.

In response to the Swachh Bharat Yojana of Govt. of India, the Company has taken up repair and maintenance of toilets in rural schools in a big way. 24 toilet blocks have been upgraded in rural Government schools in Kota, Bharuch and Sugar during the financial year 2014-15.

#### C. Environment

The Company understands the need for maintaining right ecological balance and has created green belts in and around all its facilities. Over 75,000 tree saplings have been planted at Bharuch, covering 33 percent of the green belt over the last 12 years. Similarly over 5,00,000 tree saplings have been planted in the rocky terrain at Kota.

The Company is countering the dearth of water in arid terrains near Kota, Rajasthan, through repair and maintenance of irrigation canal. Water conservation technology is promoted by the Company on farms that are in the vicinity of its Sugar Factories.

The Company's water harvesting based reservoir is spread over 50 acres at Kota and accommodates 4.5 lacs cubic metres of water. Bio Control Labs have been set up in the sugar units of the Company in Uttar Pradesh. These labs are assisting farmers in controlling pest attacks through use of parasitoids thus limiting the need of chemical pesticides.

#### D. Rural Development

Extensive work is done for developing rural Infrastructure in the areas where the Company has its units.

Regular repair of roads, school buildings, Panchayat Bhawan etc. is undertaken by the Company. Recently more than 70 solar street lights have been put up for the benefit of rural communities.

The Directors are pleased to report that the different programs of CSR are providing encouraging results. The Company is committed to continue with its initiatives towards Social Responsibility in line with CSR policy.

More details of the CSR policy and programs are available on the Company's website at the following weblink: <http://dcmshriram.com/social-responsibility.aspx>.

### Composition of CSR Committee

The CSR Committee comprises of the following Directors :

Shri Ajay S. Shriram .....	Chairman
Shri Vikram S. Shriram.....	Member
Shri Ajit S. Shriram.....	Member
Shri Pradeep Dinodia.....	Member
Shri Sunil Kant Munjal.....	Member

### Average Net Profit of the Company

For the preceding three years block of 2011-12 to 2013-14, the average annual net profits of the Company were Rs.159.71 Crores. The prescribed CSR expenditure, i.e. 2% of Rs.159.71 Crores, for the Company for 2014-15 was Rs. 3.19 Crores.

### Details of CSR Spent

During the year 2014-15, the Company spent Rs.3.19 Crores towards various programs and projects of CSR. The details are provided in the Annual Report of CSR as attached (Annexure).

## Annexure

### Annual Report on Corporate Social Responsibility(CSR) activities for the financial year 2014-15

1	2	3	4	5	6	7
S. No.	Sector in which the project is covered	CSR project or activity identified.	States and districts where projects or programs were undertaken.	Amount outlay (budget) (Rs. lacs)	Amount spent on the projects Sub-heads - (1) Direct expenditure (2) Overheads (Rs. lacs)	Amount spent: Direct or through implementing agency
1	Preventive healthcare and Sanitation	Health awareness and cataract camps; Upgradation of toilets in 24 Govt. Schools	Kota, Rajasthan, Lakhimpur Kheri, Hardoi, Uttar Pradesh	45	77.24	Directly and in association with Gram Swaraj Mission Ashram, Vinoba Sewa Ashram, Sarvodaya Ashram.
		<b>SubTotal</b>		<b>45</b>	<b>77.24</b>	
2	Promoting Education, vocational skills, livelihood	Scholarship to students, contribution to educational institutions	Kota, Rajasthan, Haryana, New Delhi	120	97.16	Direct
		<b>SubTotal</b>		<b>120</b>	<b>97.16</b>	
3	Environmental Sustainability	Water conservation, tree plantation, repair of irrigation canals	Lakhimpur Kheri, Hardoi, Uttar Pradesh	28	18.06	Direct
		Bio Control Labs to assist farmers in controlling insect pests	Lakhimpur Kheri, Hardoi, Uttar Pradesh	40	24.45	Direct
		<b>SubTotal</b>		<b>68</b>	<b>42.51</b>	
4	Rural Development	Production and distribution of organic fertiliser to increase soil fertility, Promotion of Rural Entrepreneurs (Apna Shriram Kendra), land leveling scheme	Lakhimpur Kheri, Hardoi, Uttar Pradesh	48	64.66	Direct
		Repair of village roads, school buildings, tube wells, etc. to improve rural infrastructure	Lakhimpur Kheri, Hardoi, Uttar Pradesh	35	24.12	Direct
		<b>SubTotal</b>		<b>83</b>	<b>88.78</b>	
5	Overheads	Salary and travel of staff		15	13.80	
		<b>Grand Total</b>		<b>331</b>	<b>319.49</b>	

#### CSR Committee's Responsibility Statement

We hereby affirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and the Policy of the Company.

Vikram S. Shriram  
Vice Chairman & Managing Director  
DIN : 00027187

Ajay S. Shriram  
Chairman and Sr. Managing Director &  
Chairman, CSR Committee  
DIN : 00027137

## Corporate Governance Report 2014-15

### (A) Company's Philosophy

The Company's philosophy on Corporate Governance is focused upon a rich legacy of fair, ethical and transparent 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 well balanced and independent structure of the Company's eminent and well represented Board of Directors. The Company is in full compliance with the requirements under Clause 49 of the Listing Agreement(s) with the Stock Exchange(s).

### (B) Board of Directors

As at 31.3.2015, the Board of Directors comprises

of an Executive Chairman, four Executive Directors and eight Non-Executive Directors including one Nominee Director.

During the year, eight Board Meetings were held on 28.4.2014, 15.5.2014, 2.7.2014, 29.7.2014, 12.8.2014, 4.10.2014, 12.11.2014 and 3.2.2015. 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 2014-15 and at the last Annual General Meeting held on 12.8.2014 and also the number of other Directorship and Committee Membership/ Chairmanship as on 31.3.2015 are as follows:

Name of Director	Category of Directorship	No. of Board meetings attended	Attended last AGM	No. of other Directorship#	No. of other Committee Membership ##	
					Member	Chairman/ Chairperson
Shri Ajay S. Shriram (Promoter)	ED	8	YES	6	-	-
Shri Vikram S. Shriram (Promoter)	ED	7	YES	7	-	-
Shri Ajit S. Shriram (Promoter)	ED	8	YES	7	1	-
Shri K.K. Kaul**	ED	5	YES	-	-	-
Dr. N.J. Singh	ED	8	YES	-	-	-
Dr. S.S. Baijal	I-NED	7	YES	6	3	3
Shri Arun Bharat Ram	I-NED	4	YES	6	3	-
Shri Pradeep Dinodia	I-NED	7	YES	5	5	3
Shri Vimal Bhandari	I-NED	3	YES	7	5	1
Shri Sunil Kant Munjal	I-NED	6	NO	6	2	-
Shri D. Sengupta	I-NED	5	NO	1	1	-
Shri Rajesh Kandwal (LIC Nominee)*	NED	1	-	-	-	-
Shri Sharad Shrivastva (LIC Nominee)**	NED	4	YES	-	-	-
Smt. Ramni Nirula***	I-NED	1	-	9	8	4

# 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

I-NED - Independent-Non-Executive Director

\* Ceased w.e.f. 11.6.2014

\*\* Appointed w.e.f. 2.7.2014

\*\*\*Appointed w.e.f. 3.2.2015

The ratio between Executive and Non-Executive Directors is 5:8.

#### Relationship amongst Directors

Shri Ajay S. Shriram, Shri Vikram S. Shriram and Shri Ajit S. Shriram, being brothers, are related to each other.

#### Code of Conduct for Board Members & Senior Management Team

In compliance to the provisions of Clause 49 of the Listing Agreement, 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 website of the Company ([www.dcmshriram.com](http://www.dcmshriram.com)).

All Board Members and Senior Management Team have affirmed compliance of Code of Conduct as on 31st March, 2015 and a declaration to that effect signed by Chairman & Senior Managing Director is attached and forms part of this report.

**(C) Board Audit Committee**

**(i) Terms of reference**

The role and terms of reference of Board Audit Committee covers areas mentioned under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013, besides other terms as may be referred to it by the Board of Directors.

**(ii) Composition**

The Board Audit Committee was formed in 1990. As at 31.3.2015, the Committee comprises of four Independent-Non-Executive Directors. The Committee met six times during the year on 28.4.2014, 15.5.2014, 29.7.2014, 12.11.2014, 4.12.2014 and 3.2.2015 and attendance of the Members at the meetings was as follows:

Name of Member	Status	No. of meetings attended
Dr. S.S. Bajjal	Chairman	6
Shri Arun Bharat Ram	Member	3
Shri Pradeep Dinodia	Member	6
Shri D. Sengupta	Member	5

**(D) Nomination, Remuneration and Compensation Committee (Formerly Board Remuneration Committee)**

**(i) Terms of reference**

Roles and terms of reference of the committee cover areas mentioned under clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013 read with related Rules as applicable and the notifications, if any, issued by the Government thereunder from time to time.

**(ii) Composition**

The Committee comprises of three Independent- Non-Executive Directors and one Executive Director. The Committee met seven times during the year on 28.4.2014, 15.5.2014, 25.6.2014, 29.7.2014, 12.11.2014, 3.2.2015 and 5.2.2015 and the attendance of the Members at the meetings was as follows:

Name of Member	Status	No. of meetings attended
Dr. S.S. Bajjal	Chairman	6
Shri Ajay S. Shriram *	Member	2
Shri Pradeep Dinodia	Member	7
Shri D. Sengupta	Member	6

\* appointed w.e.f. 12.11.2014

**(iii) Remuneration Policy**

The policy, inter alia, provides for the following:

**a) Executive Directors**

**i) Basic Salary**

- Provides for a fixed, per month, base level remuneration to reflect the scale and dynamics of business to be competitive in the external market.
- Will be subject to an annual increase as per the recommendations of the Committee and the approval of the Board of Directors.

**ii) Commission**

- Executive Directors will be allowed remuneration, by way of commission in addition to the Basic Salary, Perquisites and any other Allowances, benefits and amenities.
- the total amount of remuneration along with Commission paid to all Executive Directors shall not exceed the limits laid down in Sections 197 and 198 of the Companies Act, 2013.
- The amount of commission shall be paid subject to recommendation of the committee and approval of the Board of Directors.



iii) **Perquisites and Allowances**

- Perquisites and Allowances commensurate to the position of Executive Directors.

iv) **Contribution to Provident, Superannuation fund and Gratuity payments**

v) **Minimum Remuneration**

- In the event of absence or inadequacy of profits in any financial year, the remuneration approved by the shareholders excluding commission is paid to Executive Directors as a minimum remuneration, subject to necessary approvals, if any.

b) **Non-Executive Directors**

- The Non-Executive and Independent Directors would be paid remuneration by way of sitting fees for attending meetings of Board or Committee thereof and profit related commissions as approved by Board and Shareholders. The amount of such fees and commissions shall be subject to ceiling/limits as provided under Companies Act, 2013 and Rules made thereunder or any other enactment for the time being in force. The Board will approve the remuneration.

(iv) **Details of remuneration for the year 2014-15**

(a) **Executive Directors**

- 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.
- Notice period for termination of appointment of Managing/Whole Time Directors is six calendar months, on either side.
- In the event of termination of appointment of Managing/Whole Time Directors, compensation will be in accordance with the provisions of the Companies Act, 2013 or any statutory amendment or re-enactment thereof.
- No sitting fees paid to Executive Directors.

(b) **Non-Executive Directors**

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

The Committee deliberated and decided to recommend to the Board for its consideration regarding revision of the Remuneration payable to Non Executive Directors and the same have been approved by the Board as under:

Revision in the Sitting Fee payable to Non Executive Directors for attending Board and Committees Meetings  
(Amount/Rs.)

Particulars	Sitting Fees	
	(Upto 15.5.2014)	(After 15.5.2014)
- Board	15,000	20,000
- Audit Committee	15,000	20,000
- Nomination, Remuneration and Compensation Committee	7,500	15,000
- CSR Committee	N.A.	15,000
- Other Board Committees	7,500	10,000

(Amount/Rs. Lacs)						
Executive Directors	Salary	P. F.	Super-annuation	Allowances/ Perquisites/ Others	Commission	Total
Shri Ajay S. Shriram*	123.60	14.83	18.54	99.16	150.00	406.13
Shri Vikram S. Shriram*	120.00	14.40	18.00	91.75	145.00	389.15
Shri Ajit S. Shriram**	88.80	10.66	13.32	84.25	130.00	327.03
Shri K.K.Kaul ***	46.44	5.57	6.97	21.27	40.00	120.25
Dr. N.J. Singh***	27.78	3.33	4.17	20.70	10.00	65.98

\*Re-appointed w.e.f. 1.11.2013 for a period of 5 years.

\*\*Re-appointed w.e.f. 2.5.2011 for a period of 5 years.

\*\*\*Re-appointed w.e.f. 20.11.2012 for a period of 5 years.

\*\*\*\*Appointed w.e.f. 2.7.2014 for a period of upto 5 years as may be decided by the Board of Directors.

The details of remuneration paid/payable during the year by way of sitting fee and commission for attending meetings of Board/Committees thereof along with number of shares held by

Non-Executive Directors as on 31.3.2015 in the Company are as under:

Name of the Director	Amount/Rs. Lacs			No. of Shares held
	Sitting Fee	Commission	Total	
Dr. S.S. Bajjal	4.23	36.50	40.73	50,000
Shri Arun Bharat Ram	1.40	11.10	12.50	-
Shri Pradeep Dinodia	3.90	25.50	29.40	29,270
Shri Vimal Bhandari	0.55	7.90	8.45	2,000
Shri Sunil Kant Munjal	1.10	10.30	11.40	-
Shri D. Sengupta	3.03	22.30	25.33	20,000
Shri Rajesh Kandwal/ Shri Sharad Shrivastva (LIC Nominee)	0.95	9.50	10.45	-
Smt. Ramni Nirula	0.20	6.30	6.50	-

**(E) Stakeholders' Relationship Committee (Formerly Shareholders/Investors' Grievance Committee)**

**(i) Terms of reference**

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 scrutinise 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/warrants 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, and
- h. to delegate all or any of its powers to Officers/Authorised Signatories of the Company.

**(ii) Composition**

The Committee comprises of two Independent-Non-Executive Directors and two Executive Directors. The Committee is headed by Shri Pradeep Dinodia (Non Executive–Independent Director).

Shri B.L. Sachdeva, Company Secretary being Compliance Officer was delegated the power to approve share transfer/transmission etc. subject to a limit of 2500 shares of Rs.2/- each per transfer deed at a time. The delegated authority has been regularly addressing the share transfer formalities.

During the year, the Committee met six times on 28.7.2014, 7.11.2014, 1.12.2014, 19.12.2014, 28.1.2015 and 11.2.2015 and the attendance of the Members was as follows:

Name of the Member	Status	No. of meetings attended
Shri Pradeep Dinodia	Chairman	3
Dr. S.S. Bajjal	Member	6
Shri Ajay S. Shriram	Member	6
Shri Vikram S. Shriram	Member	6

Shri Pradeep Dinodia, Chairman of the Stakeholder's Relationship Committee was not present in 3 meetings of the Committee. In his absence, Dr. S.S. Bajjal was elected as the Chairman for the said committee meetings by the Members of the Committee.

During the year, 88 complaints were received from the shareholders and all of them were resolved to the full satisfaction of the shareholders. No investor complaint was pending as on 31.3.2015.

#### (F) General Body Meetings

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2013-14	12.8.2014	10.00 A.M.	Air Force Auditorium, Subroto Park, New Delhi
2012-13	13.8.2013	10.00 A.M.	Air Force Auditorium, Subroto Park, New Delhi
2011-12	14.8.2012	10.00 A.M.	Air Force Auditorium, Subroto Park, New Delhi

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

##### AGM 2014

- Approval of appointment of Shri K.K. Kaul as Whole Time Director under Sections 196 and 197 and other applicable provisions, if any, of the Companies Act, 2013 for a period of upto five years as may be decided by the Board of Directors w.e.f. 2.7.2014.
- Consent to the Board of Directors/Committee thereof under Section 180 and other applicable provisions, if any, of the Companies Act, 2013 to borrow at any time any sum or sums of money not exceeding Rs.2500 Crores.
- Approval to the Board of Directors/Committee thereof under Section 180 and other applicable provisions, if any, of the Companies Act, 2013 to create such charge(s), mortgage(s) and hypothecation(s) in addition to the existing charges, mortgages and hypothecations created by the Company on such movable and immovable properties, both present and future of the Company, for an amount not at any time exceed the limit of Rs.2500 Crores.
- Approval to the Board of Directors under Sections 73, 76 and other applicable provisions, if any, of the Companies Act, 2013 to invite and accept unsecured deposits from Members/Employees and Public as per the scheme approved by the Board of Directors of the Company.
- Insertion of the following at the end of Article 87 of the Articles of Association of the Company:

Managing Director and/or Chief Executive

Officer of the Company shall be the Chairperson of the Company.

- Approval under Section 197 and other applicable Rules and provisions, if any, of the Companies Act, 2013 for payment of sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Sections 197 and 198 of the Companies Act, 2013, to all or some or any of the Directors who are neither the Managing Directors nor the Whole Time Directors of the Company in such amounts or proportions and in such manner as may be determined by the Board of Directors.

##### AGM 2013

- Approval of re-appointment of Shri Ajay S. Shriram as Chairman and Senior Managing Director under Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 for a period of five years w.e.f. 1.11.2013.
- Approval of re-appointment of Shri Vikram S. Shriram as Vice Chairman and Managing Director under Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 for a period of five years w.e.f. 1.11.2013.
- Approval of Employee Stock Purchase Scheme as aligned effective from September 1, 2013, with SEBI (ESOS & ESPS) Guidelines, 1999 (including any statutory amendment modification or re-enactment to the Act or the Guidelines for the time being in force) read with circular dated January 17, 2013 and circular dated May 13, 2013 issued by SEBI and to extend the benefits of Employee Stock Purchase Scheme to its Holding or Subsidiary Companies, resident in India or outside India, such other persons (as may from time to time be allowed under prevailing laws, rules and regulations and/or amendments thereto from time to time on such terms and conditions as may be decided by the Board) and eligible participant, such that during any one year, the eligible participant may acquire shares equal to or exceeding 1% of the issued capital of the Company at the time of grant of shares.

## AGM 2012

- Approval for re-appointment of Dr. N.J. Singh as Whole Time Director (EHS) under Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 for a period of five years w.e.f. 20.11.2012.
- Approval under Section 314(1B) of the Companies Act, 1956 and other applicable provisions for the revision of remuneration of Shri Aditya A. Shriram, Vice President w.e.f. 1.4.2012.
- Approval under Section 314 of the Companies Act, 1956 and other applicable provisions to increase the remuneration of Shri Anand A. Shriram, Officer w.e.f. 1.4.2012.
- Approval for modification in the Clause 2 (b) titled "Perquisites" of the "Terms & Conditions of re-appointment" of Shri Rajiv Sinha contained in the resolution as approved by the Members on 19.8.2008.

## SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT

- During the financial year 2014-15, no Special Resolution was passed through Postal Ballot.
- As on date there is no proposal to pass any Special Resolution through Postal Ballot.

## (G) Disclosures

- (i) 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.
- (ii) 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.
- (iii) The Company is having a Vigil Mechanism for the Directors and permanent employees of the Company and no personnel has been denied access to the audit committee.
- (iv) The Company is complying with all mandatory requirements of Clause 49 of the Listing Agreement.

(v) The Chairman & Senior Managing Director and Chief Financial Officer of the Company have certified to the Board with regard to the compliance made by them in terms of Clause 49(IX) of the Listing Agreement.

(vi) The Company has established a comprehensive Risk Management Process that includes risk identification, risk assessment, risk mitigation and monitoring on a periodic basis. External and internal risk factors that could potentially affect performance of the Company vis-à-vis stated objectives are identified and reported in the business review meetings periodically. These are subsequently reported to the Board.

## (H) Means of Communication

The Company interacts with its Investors through multiple forms of corporate and financial communications such as annual reports, result announcement 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 website of NSE and BSE. The Company's website also displays official news releases. The Company has interacted with analysts and investors during the year under review through meetings and conference calls.

## (I) General Shareholders Information

- (i) Next Annual General Meeting is proposed to be held on Tuesday, 18<sup>th</sup> August, 2015 at 10.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi.
- (ii) Financial Year: April to March.
- (iii) Date of book closure: 5.8.2015 to 12.8.2015 (both days inclusive).
- (iv) Dividend payment date: Dividend, if any, declared in the next Annual General Meeting, will be paid within 30 days of the date of declaration to those Members whose names appear in the Register of Members on the date of book closure.
- (v) Listing on Stock Exchanges and Stock Codes: Equity Shares are listed on National Stock

Exchange of India Ltd. (Stock Code NSE: DCM SHRIRAM) and BSE Ltd. (Stock Code BSE: 523367).

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

**(vi) Equity Share Price data for the year 2014-15**

**Equity Share Price on NSE and NIFTY Index**

Month	Share Price on NSE		NIFTY Index	
	High	Low	High	Low
<b>2014</b>				
April	97.90	85.50	6869.85	6650.40
May	139.80	93.00	7563.50	6638.55
June	194.00	122.50	7700.05	7239.50
July	195.75	135.30	7840.95	7422.15
August	218.00	169.10	7968.25	7540.10
September	249.00	203.00	8180.20	7841.80
October	251.85	205.00	8330.75	7723.85
November	248.00	152.40	8617.00	8290.25
December	183.80	157.10	8626.95	7961.35
<b>2015</b>				
January	160.90	124.30	8996.60	8065.45
February	154.40	107.00	8941.10	8470.50
March	133.50	104.20	9119.20	8269.15

**(vii) Registrar and Share Transfer Agent:** M/s. MCS Share Transfer Agent Limited are the Registrar and Share Transfer Agent for shares and debentures 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. Physical shares, which are lodged with the Company for transfer, are processed and returned to the members within a period of 15 days.

**(ix) Distribution of Shareholding as on 31.3.2015**

No. of Shares	Shareholders	
	Number	% to total no. of Shareholders
Upto - 500	37799	88.35
501 - 1000	2371	5.54
1001 - 2000	1283	3.00
2001 - 3000	430	1.00
3001 - 4000	224	0.52
4001 - 5000	143	0.33
5001 - 10000	246	0.58
10001 - 50000	221	0.52
50001 - 100000	20	0.05
100001 - and above	48	0.11
<b>TOTAL</b>	<b>42785</b>	<b>100.00</b>

**(x) Categories of Shareholders as on 31.3.2015**

Category	No. of fully paid up shares held	% Share holding
Promoters, Relatives and Associates	103743794	63.88
Financial Institutions, Banks and Insurance Companies	16982662	10.45
Foreign Institutional Investors, Overseas Corporate Bodies and Non-Resident Indians	18677796	11.51
Mutual Funds	161887	0.10
Bodies Corporate	3785698	2.33
General Public	19064300	11.73
<b>TOTAL</b>	<b>162416137</b>	<b>100.00</b>

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

As on 31.3.2015, of the total eligible Equity Shares, 88.06% were in dematerialized form and the balance 11.95% shares in physical form.

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

**(xii) Plant Locations**

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



**(xiii) Address for Correspondence**

The Company's Registered Office is situated at 5th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi-110 001.

Correspondence by the shareholders and debentureholders should be addressed to:

MCS Share Transfer Agent Limited

F-65, 1st Floor, Okhla Industrial Area, Phase-I,

New Delhi – 110 020

Tel. Nos. 011-41406149, 41406151-52

Fax No.: 011-41709881

E-mail : admin@mcsregistrars.com

Exclusive E-mail for Investor Complaints (excluding Institutional Investors)

ykgupta@dcmshriram.com/  
amitmehra@dcmshriram.com

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

Place : New Delhi

Date : 1<sup>st</sup> May, 2015

AJAY S. SHRIRAM

Chairman & Sr. Managing Director

## Declaration regarding Compliance of Code of Conduct

I, Ajay S. Shriram, Chairman & Senior Managing Director 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, 2015.

Place : New Delhi  
Date : 1<sup>st</sup> May, 2015

AJAY S. SHRIRAM  
Chairman & Sr. Managing Director

## Auditors Certificate on the Compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement

To the Members of  
DCM Shriram Limited  
(Formerly DCM Shriram Consolidated Limited)

We have examined the compliance of conditions of Corporate Governance by DCM Shriram Limited ("the Company") for the year ended March 31, 2015, as stipulated in clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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 Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No. 015125N)

Place : Gurgaon  
Date : May 1, 2015

Vijay Agarwal  
Partner  
(Membership No. 094468)



## Independent Auditors' Report

### To the members of DCM Shriram Limited

(Formerly DCM Shriram Consolidated Limited)

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **DCM SHRIRAM LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### Opinion

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 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, 2015, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

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

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 015125N)

New Delhi,  
May 1, 2015

Vijay Agarwal  
Partner  
(Membership No.094468)

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, the Company has a programme of physically verifying all its fixed assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and nature of its fixed assets. In accordance with this programme, some of the fixed assets were physically verified by the management during the year. The discrepancies noticed on such verification between the physical balances and the fixed assets records were not material and have been properly dealt with in the books of account.
- (ii) In respect of the Company's inventories:
  - (a) Inventories have been physically verified during the year by the Management at reasonable intervals except for inventory lying with third parties at the end of the year for which confirmations have been obtained in most of the cases.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has, during the year, granted unsecured loans aggregating Rs 34.22 crores to two wholly owned subsidiaries covered in the register maintained under section 189 of the Act. At the year end, the outstanding loans granted to four wholly owned subsidiaries aggregates to Rs 144.17 crores.
- (b) According to the information and explanations given to us, the parties, to whom the loans have been granted by the Company, as referred to in paragraph 3 (iii) (a) above, have been regular in repayment of principal amount as stipulated and have been regular in payment of interest where charged and for loans repayable on demand, as being not recalled during the year.
- (c) According to the information and explanations given to us, there are no overdue amounts in respect of the loans granted as referred to in paragraph 3 (iii) (a) above and interest thereon where charged.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, 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 the Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

## Independent Auditors' Report (Continued)

(c) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues of Wealth Tax and Cess matters. The details of disputed dues not paid of Excise Duty, Service Tax, Income-tax, Customs Duty and Sales Tax/ Value Added Tax dues as at March 31, 2015 are as follows:

(x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for loan taken by others from a financial institution is not, prima facie, prejudicial to the interests of the Company.

Nature of Statute	Nature of Dues	Forum where pending	Amount * (Rs. in Crores)	Amount paid under protest (Rs. in Crores)	Period to which the amount relates
Central Excise Law	Excise Duty	Appellate authority upto Commissioner's level	3.30	0.05	1995-96, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12
		Customs, Excise and Service Tax Appellate Tribunal	4.01	1.17	1997-98, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	31.92	31.71	2005-06, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13
Income Tax Act, 1961	Income Tax	Appellate authority upto Commissioner's level	8.08	8.08	2010-11, 2011-12
		Income Tax Appellate Tribunal	2.92	2.92	2007-08, 2008-09, 2009-10
Customs Act, 1962	Customs Duty	Customs, Excise and Service Tax Appellate Tribunal	5.38	0.54	2012-13
Sales Tax Laws	Sales Tax	Appellate authority upto Commissioner's level	1.43	0.49	1983-84, 2001-02, 2005-06, 2006-07, 2007-08, 2009-10, 2011-12
		Appellate Tribunal	2.39	0.95	1994-95, 2009-10

\* Amount as per demand orders including interest and penalty wherever quantified in the Order.

(d) In our opinion and according to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

(viii) The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

(xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.

(xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 015125N)

New Delhi,  
May 1, 2015

Vijay Agarwal  
Partner  
(Membership No.094468)

# BALANCE SHEET AS AT MARCH 31, 2015

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Notes	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	32.64	32.77
Reserves and surplus	2.2	1,824.42	1,640.79
		1,857.06	1,673.56
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	300.69	587.54
Deferred tax liabilities (net)	2.4	128.82	143.42
Other long-term liabilities	2.5	36.47	35.46
Long-term provisions	2.6	146.60	127.22
		612.58	893.64
<b>Current liabilities</b>			
Short-term borrowings	2.7	324.20	409.78
Trade payables	2.8	1,075.77	1,269.65
Other current liabilities	2.9	441.89	472.93
Short-term provisions	2.10	34.11	48.57
		1,875.97	2,200.93
<b>Total</b>		<b>4,345.61</b>	<b>4,768.13</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	2.11	1,342.26	1,410.31
Intangible assets		3.87	3.98
Capital work -in- progress		27.85	21.34
Intangible assets under development		2.70	-
		1,376.68	1,435.63
Non-current investments	2.12	44.68	44.68
Long-term loans and advances	2.13	314.00	247.73
Other non-current assets	2.14	10.55	12.96
		1,745.91	1,741.00
<b>Current assets</b>			
Current investments	2.15	-	193.64
Inventories	2.16	1,079.80	1,097.52
Trade receivables	2.17	1,007.39	979.63
Cash and bank balances	2.18	83.45	286.56
Short-term loans and advances	2.19	249.75	205.69
Other current assets	2.20	179.31	264.09
		2,599.70	3,027.13
<b>Total</b>		<b>4,345.61</b>	<b>4,768.13</b>
<b>Significant accounting policies and Notes to the Financial Statements</b>		1 to 25	

In terms of our report attached  
Deloitte Haskins & Sells  
Chartered Accountants

VIJAY AGARWAL  
Partner

SAMEET GAMBHIR  
Company Secretary

J.K. JAIN  
Chief Financial Officer

S.S. BAIJAL  
Director  
DIN: 00027961

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

New Delhi  
May 1, 2015

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Notes	Year ended March 31, 2015 Rs. Crores	Year ended March 31, 2014 Rs. Crores
<b>Revenue from operations</b>			
Sale of Products		5,707.25	6,320.15
Less: Excise duty		237.81	260.51
		5,469.44	6,059.64
Other operating revenues	2.21	30.72	21.90
Other income	2.22	56.57	51.47
<b>Total Revenue</b>		<b>5,556.73</b>	<b>6,133.01</b>
<b>Expenses</b>			
Cost of materials consumed		1,760.72	1,786.06
Purchases of stock-in-trade		1,560.96	1,870.54
Change in inventories of finished goods, work-in-progress and stock-in-trade	2.23	22.96	285.94
Employee benefits expense	2.24	419.74	383.02
Finance costs	2.25	109.30	145.88
Depreciation and amortisation expense	2.11	107.00	134.13
Other expenses	2.26	1,318.96	1,220.11
<b>Total Expenses</b>		<b>5,299.64</b>	<b>5,825.68</b>
<b>Profit before tax</b>		<b>257.09</b>	<b>307.33</b>
Provision for tax	2.27		
- Current tax		18.38	48.65
- Deferred tax		(8.98)	(15.98)
- Tax adjustments related to earlier years		5.76	-
<b>Profit after tax</b>		<b>241.93</b>	<b>274.66</b>
<b>Earnings per equity share-basic/diluted (Rs.)</b>	5	<b>14.89</b>	<b>16.56</b>
<b>Significant accounting policies and Notes to the Financial Statements</b>	1 to 25		

In terms of our report attached  
Deloitte Haskins & Sells  
Chartered Accountants

VIJAY AGARWAL  
Partner

SAMEET GAMBHIR  
Company Secretary

J.K. JAIN  
Chief Financial Officer

S.S. BAIJAL  
Director  
DIN: 00027961

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

New Delhi  
May 1, 2015

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Year ended March 31, 2015 Rs. Crores	Year ended March 31, 2014 Rs. Crores
<b>A. Cash flow from operating activities</b>		
Net profit before tax	257.09	307.33
Adjustments for :		
Depreciation and amortization expense	107.00	134.13
(Profit) / Loss on sale/write off of fixed assets (net)	(5.59)	(7.51)
(Profit) on sale of Textile business	(0.24)	-
Finance costs	109.30	145.88
Less: interest and dividend income	(41.79)	(37.88)
<b>Operating profit before working capital changes</b>	<b>425.77</b>	<b>541.95</b>
Adjustments for :		
Trade receivables	(27.76)	(34.21)
Long term loans and advances	(31.75)	1.21
Short term loans and advances	(6.28)	(13.53)
Other current assets	23.63	(3.52)
Other non current assets	1.07	3.02
Inventories	15.98	241.93
Trade payables	(193.45)	226.67
Long term provisions	19.68	11.09
Short term provisions	3.95	2.76
Other long term liabilities	1.95	2.02
Other current liabilities	9.42	47.71
<b>Cash generated from operations</b>	<b>242.21</b>	<b>1,027.10</b>
Income taxes paid	(56.10)	(66.53)
<b>Net cash from operating activities</b>	<b>186.11</b>	<b>960.57</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(90.60)	(85.32)
Sale of fixed assets	49.69	34.09
Fixed deposits and current account balances with banks (Earmarked)	0.72	16.06
Purchase of non-trade non current investment	-	(3.37)
Sale/(Purchase) of non-trade current investments (net)	193.64	(192.37)
Short term Loans and advances to subsidiary companies	(21.19)	31.31
Long term Loans and advances to subsidiary companies	(22.03)	(32.67)
Interest received	26.05	25.90
Dividend received	12.39	9.14
Consideration pursuant to sale of PVC compounds business	29.50	33.00
Less: consideration outstanding as at year end	-	(29.50)
Consideration pursuant to sale of Textile business	17.13	-
<b>Cash flow from/(used) in investing activities</b>	<b>195.30</b>	<b>(193.73)</b>
<b>C. Cash flow from financing activities</b>		
Buy back of equity shares	(5.88)	(24.21)
Proceeds from Long term borrowings	-	324.53
Repayment of Long term borrowings	(325.16)	(414.68)
Repayment of Short term borrowings (net)	(88.05)	(204.81)
Changes in working capital borrowings	2.47	(82.28)
Dividends paid	(48.72)	(26.54)
Corporate dividend tax paid	(8.28)	(4.52)
Finance costs paid	(111.52)	(147.71)
<b>Net cash used in financing activities</b>	<b>(585.14)</b>	<b>(580.22)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(203.73)</b>	<b>186.62</b>
Cash and cash equivalents as at opening*		
Cash and cheques in hand and balance with banks	277.79	87.58
Cash and bank balances acquired on amalgamation of erstwhile Bioseed Research India Limited	-	3.59
	<b>277.79</b>	<b>91.17</b>
Cash and cash equivalents as at closing*		
Cash and cheques in hand and balance with banks	74.06	277.79
* excludes Rs. 2.40 crores (2013-14 - Rs.5.78 crores) held in dividend/margin money accounts and Rs. 6.99 crores (2013-14 -Rs. 2.99 crores) deposit with bank for specific purposes		

In terms of our report attached  
Deloitte Haskins & Sells  
Chartered Accountants

VIJAY AGARWAL  
Partner

SAMEET GAMBHIR  
Company Secretary

J.K. JAIN  
Chief Financial Officer

S.S. BAIJAL  
Director  
DIN: 00027961

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

New Delhi  
May 1, 2015



# NOTES TO THE ACCOUNTS

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

### 1. Significant accounting policies

#### i. Accounting convention

The financial statements are prepared under the historical cost convention. These statements have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013/ Companies Act, 1956, as applicable.

#### ii. Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes and incidental expenses and interest on loans attributable to the acquisition of assets up to the date of commissioning of assets. Capital subsidy received against specific assets is reduced from the value of relevant fixed assets.

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

Depreciation on tangible fixed assets has been provided as per useful life specified in schedule II to the Companies Act, 2013, except in the case of following assets where the life of the assets has been assessed based on past history, technical evaluation and the nature of the asset as under:

Catalyst tubes	7.6 years
Cell units	9.5 years
Brine sludge lagoon	5.7 years

Depreciation is calculated on a pro-rata basis from the date of additions, except in case of assets costing upto Rs 5000/- each, where each such asset is fully depreciated in the year of purchase.

Depreciation/amortization on intangibles is provided on straight line method as follows:

- Technical know-how	10 years
- Brand	10 years
- Software	5 years

On assets sold, discarded etc. during the year, depreciation is provided upto the date of sale/discard.

#### iii. Foreign currency transactions and derivatives

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

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

The exchange differences 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 that the exchange differences arising till the commissioning of fixed assets, relating to borrowed funds and liabilities in foreign currency for acquisition of the fixed assets are adjusted to the cost of fixed assets.

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortised as income or expense over the life of the contract. Further, exchange difference on such contracts i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognized as income/ expense for the period except that the exchange differences, including premium or discount on forward exchange contracts, arising till the commissioning of fixed assets, relating to borrowed funds and liabilities in foreign currency for acquisition of the fixed assets are adjusted to the cost of fixed assets.

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

### iv. Inventories

Inventories are valued at lower of cost or net realisable value. The basis for determining cost (which also includes taxes and duties wherever applicable) for different categories of inventory are as under:

Stores and spares, raw materials and stock-in-trade - Weighted average rate

Work-in-Progress and finished goods - Direct cost plus appropriate share of overheads after giving credit for other income and certain expenses like ex-gratia and gratuity.

By-products are valued at estimated net realisable value.

### v. Revenue recognition

a) Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with dispatch to customers. Sales include excise duty but exclude sales tax and value added tax.

b) Under the retention pricing scheme, the Government of India reimburses to the fertiliser industry, the difference between the retention price based on the cost of production and selling price (as realised 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 assessment of ultimate collection with reasonable degree of certainty at the time of accrual.

### vi. Investments

Long term investments are stated at cost unless there is a permanent fall in value thereof. Current investments are stated at cost or net realisable value whichever is less.

### vii. Employee benefits

Company's contributions paid/payable during the year to provident fund, superannuation fund and employees' state insurance corporation are recognised 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 recognised in the year of shortfall.

Provisions for gratuity and compensated absences determined on an actuarial basis at the end of the year are charged to revenue each year. The Company makes contribution to the LIC for Employees Gratuity Scheme in respect of employees of one of the divisions.

### viii. Research and development

The revenue expenditure on research and development is charged as an expense in the year in which it is incurred. Capital expenditure is included in fixed assets.

### ix. Income-tax

The Income-tax liability is provided in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, between taxable income and accounting income. Deferred tax assets on unabsorbed depreciation and carry forward losses are recognised on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>2.1 SHARE CAPITAL</b>		
<b>Authorised</b>		
29,49,50,000 (2013-14- 29,49,50,000) Equity shares of Rs.2 each with voting rights	58.99	58.99
65,01,000 (2013-14 - 65,01,000) Cumulative redeemable preference shares of Rs.100 each	65.01	65.01
	<b>124.00</b>	<b>124.00</b>
<b>Issued</b>		
16,98,03,320 (2013-14 - 16,98,03,320) Equity shares of Rs.2 each with voting rights	33.96	33.96
<b>Subscribed and fully paid up</b>		
16,24,16,137 (2013-14 - 16,32,06,411) Equity shares of Rs. 2 each with voting rights fully called - up	32.48	32.64
Less:- Nil (2013-14 - 138,562)* Equity shares of Rs. 2 each bought back	-	(0.03)
	<b>32.48</b>	<b>32.61</b>
Add :- Forfeited shares - Amount originally paid up	0.16	0.16
	<b>32.64</b>	<b>32.77</b>

### NOTES:

- (i) Reconciliation of Number of shares and amount outstanding at the beginning and at the end of the reporting period:

	No. of shares	Value (Rs. Crores)
Subscribed and fully paid up Equity Shares:		
As at April 1, 2013	165,903,320	33.18
Less: Equity shares buy back*	2,696,909	0.54
As at March 31, 2014	163,206,411	32.64
Less: Equity shares buy back	790,274	0.16
As at March 31, 2015	162,416,137	32.48

\* During the financial year 2013-14, the Company has bought back 28,35,471 equity shares of Rs 2/- each, out of which 26,96,909 equity shares were extinguished upto March 31, 2014 and the balance 138,562 equity shares have been extinguished subsequent to March 31, 2014

	As at 31.03.2015		As at 31.03.2014	
	No. of shares	%	No. of shares	%
(ii) Shares held by the holding company:				
Sumant Investments Private Limited	98,282,284	60.51%	98,282,284	60.22%
(iii) The shareholders holding more than 5% equity shares are as under:				
Sumant Investments Private Limited	98,282,284	60.51%	98,282,284	60.22%
Life Insurance Corporation of India	12,863,749	7.92%	12,863,749	7.88%

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>2.2 RESERVES AND SURPLUS</b>		
Capital reserve:		
Opening Balance	-	2.88
Less: Adjustment on merger	-	(2.88)
	-	-
Capital redemption reserve:		
Opening Balance	8.98	8.41
Add: Transferred from share premium on account of buyback of equity shares	0.13	0.57
	9.11	8.98
Securities premium account		
Opening Balance	38.55	62.76
Less: Utilisation for buy back of equity shares	(5.75)	(23.64)
Less: Transferred to capital redemption reserve on buy back of equity shares	(0.13)	(0.57)
	32.67	38.55
General reserve		
Opening Balance	829.75	752.82
Add: Movement related to employees stock purchase scheme	0.39	0.11
Add: Adjustments on merger	-	1.82
Add: Transferred from statement of profit and loss	-	75.00
	830.14	829.75
Storage fund for molasses account		
Opening Balance	1.03	0.90
Add: Transferred from statement of profit and loss	0.13	0.13
	1.16	1.03
Balance in Statement of Profit and loss		
Opening Balance	762.48	539.35
Less: Adjustment of depreciation (Refer note 14)	(10.92)	-
Add: Addition on merger	-	61.93
Add: Profit during the year	241.93	274.66
Amount available for appropriation	993.49	875.94
Appropriations:		
Interim dividend on equity shares	29.23	13.27
Proposed final dividend on equity shares	6.50	19.49
Corporate dividend tax	6.29	5.57
Transfer to general reserve	-	75.00
Storage fund for molasses account	0.13	0.13
	951.34	762.48
	1,824.42	1,640.79

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>NON CURRENT LIABILITIES</b>		
<b>2.3 LONG-TERM BORROWINGS</b>		
Secured		
Term loans		
From banks [Refer note 11(b)]	96.86	304.56
From others [Refer note 11(c)]	190.25	258.53
	287.11	563.09
Unsecured		
Deposits (Refer note 16)		
Fixed	13.58	8.88
Others	-	15.57
	13.58	24.45
	300.69	587.54
<b>2.4 DEFERRED TAX LIABILITIES (NET)</b>		
Deferred tax liabilities		
Depreciation	211.94	216.40
	211.94	216.40
Deferred tax assets		
Provision for gratuity and compensated absences	53.38	46.73
Provision for doubtful debts and advances	5.50	5.95
Others	24.24	20.30
	83.12	72.98
	128.82	143.42
<b>2.5 OTHER LONG-TERM LIABILITIES</b>		
Interest accrued but not due on loans and deposits	7.47	8.41
Security deposits	29.00	27.04
Others	-	0.01
	36.47	35.46
<b>2.6 LONG-TERM PROVISIONS</b>		
Provision for employee benefits		
Gratuity	76.61	67.85
Compensated absences	52.03	47.28
Other benefits	5.87	-
Provision for contingencies (Refer note 19)	12.09	12.09
	146.60	127.22
	612.58	893.64

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>CURRENT LIABILITIES</b>		
<b>2.7 SHORT-TERM BORROWINGS</b>		
Secured *		
Loans repayable on demand from banks	101.27	98.80
Other loans from banks	196.53	227.09
	<b>297.80</b>	<b>325.89</b>
Unsecured		
Loans repayable on demand - other than banks	2.00	2.00
Other loans from banks	22.95	80.58
Loan from subsidiary company	1.45	1.31
	<b>26.40</b>	<b>83.89</b>
	<b>324.20</b>	<b>409.78</b>
<b>2.8 TRADE PAYABLES</b>		
Total outstanding dues to micro and small enterprise**	3.26	1.41
Total outstanding dues of other than micro and small enterprise	1,072.51	1,268.24
	<b>1,075.77</b>	<b>1,269.65</b>
<b>2.9 OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt (Secured)		
From banks [Refer note 11(b)]	41.67	66.90
From others [Refer note 11(c)]	77.12	85.29
Current maturities of long-term debt (Unsecured)		
From others (Refer note 16)	0.57	5.48
Interest accrued but not due on borrowings	5.33	6.61
Advances received from customers	187.16	185.96
Unpaid dividends	2.13	2.09
Unpaid matured deposits and interest accrued thereon	0.06	0.13
Unpaid matured debentures and interest accrued thereon	0.21	0.21
Statutory levies	94.39	93.20
Others liabilities	33.25	27.06
	<b>441.89</b>	<b>472.93</b>
<b>2.10 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits		
Gratuity	14.43	14.03
Compensated absences	11.17	8.31
Other benefits	0.69	-
Provision for tax (net of tax paid)	-	3.43
Proposed dividend	6.50	19.49
Corporate dividend tax	1.32	3.31
	<b>34.11</b>	<b>48.57</b>
	<b>1,875.97</b>	<b>2,200.93</b>

\* Refer note 11(a)

\*\*Refer note 6



# NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

## NON-CURRENT ASSETS

### 2.11 FIXED ASSETS

Rs Crores

Description	GROSS BLOCK				DEPRECIATION AND AMORTISATION						NET BLOCK		
	As at March 31, 2014	transferred in on merger	Additions	Deductions	As at March 31, 2015	Up to March 31, 2014	transferred in on merger	adjustment#	For the year	On deductions	Up to March 31, 2015	As at March 31, 2015	As at March 31, 2014
<b>Tangibles</b>													
Land - Freehold *	66.42	-	1.03	-	67.45	-	-	-	-	-	-	67.45	66.42
- Leasehold	17.61	-	-	0.22	17.39	-	-	-	-	-	-	17.39	17.61
Buildings	257.19	-	8.29	20.36	245.12	58.69	-	9.69	7.85	7.63	68.60	176.52	198.50
Leasehold improvements	3.26	-	6.40	0.05	9.61	1.14	-	-	0.65	-	1.79	7.82	2.12
Plant and equipment	2,310.44	-	42.45	30.47	2,322.42	1,217.93	-	6.16	81.82	22.14	1,283.77	1,038.65	1,092.51
Furniture and Fixtures	16.78	-	3.30	0.62	19.46	12.48	-	0.06	1.87	0.42	13.99	5.47	4.30
Vehicles	40.39	-	12.58	5.27	47.70	19.21	-	0.02	8.93	3.93	24.23	23.47	21.18
Office equipment	24.74	-	3.78	4.04	24.48	17.07	-	0.61	4.01	2.70	18.99	5.49	7.67
<b>Sub total (This year)</b>	<b>2,736.83</b>	<b>-</b>	<b>77.83</b>	<b>61.03</b>	<b>2,753.63</b>	<b>1,326.52</b>	<b>-</b>	<b>16.54</b>	<b>105.13</b>	<b>36.82</b>	<b>1,411.37</b>	<b>1,342.26</b>	
Previous year	2,661.20	18.94	75.32	18.63	2,736.83	1,204.19	2.00	-	132.44	12.11	1,326.52		1,410.31
<b>Intangibles</b>													
Technical Know how	8.71	-	-	-	8.71	7.49	-	-	0.70	-	8.19	0.52	1.22
Computer Software	8.23	-	1.78	0.04	9.97	5.47	-	-	1.17	0.02	6.62	3.35	2.76
<b>Sub total (This year)</b>	<b>16.94</b>	<b>-</b>	<b>1.78</b>	<b>0.04</b>	<b>18.68</b>	<b>12.96</b>	<b>-</b>	<b>-</b>	<b>1.87</b>	<b>0.02</b>	<b>14.81</b>	<b>3.87</b>	
Previous year	15.73	0.35	0.89	0.03	16.94	11.17	0.13	-	1.69	0.03	12.96		3.98
<b>Total This year</b>	<b>2,753.77</b>	<b>-</b>	<b>79.61</b>	<b>61.07</b>	<b>2,772.31</b>	<b>1,339.48</b>	<b>-</b>	<b>16.54</b>	<b>107.00</b>	<b>36.84</b>	<b>1,426.18</b>	<b>1,346.13</b>	
Total Previous year	2,676.93	19.29	76.21	18.66	2,753.77	1,215.36	2.13	-	134.13	12.14	1,339.48		1,414.29
Capital work in progress (Refer note 8)												27.85	21.34
Intangible assets under development												2.70	-
												<b>1,376.68</b>	<b>1,435.63</b>

# adjusted from retained earnings pursuant to Schedule II of Companies Act 2013 (Refer note 14)

\* Includes Rs. 15.23 crore (2013-14 - Rs. 21.81 crore) pertaining to land pending registration in favour of the Company.

	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>2.12 NON-CURRENT INVESTMENTS</b> (valued at cost unless there is permanent fall in value thereof)		
<b>(a) TRADE INVESTMENTS</b>		
<b>Investment in Equity Instruments</b>		
- Subsidiaries		
Unquoted		
11,74,551 (2013-14 - 11,74,551) Equity shares of US \$ 1 each fully paid-up of Bioseeds Limited.	14.41	14.41
10,00,000 (2013-14 - 10,00,000) Equity shares of Rs. 10 each fully paid up of Hariyali Rural Ventures Limited	1.00	1.00
50,000 (2013-14 - 50,000) Equity shares of Rs. 10 each fully paid up of Fenesta India Limited	0.05	0.05
40,50,000 (2013-14- 40,50,000) Equity shares of Rs. 10 each fully paid up of Shriram Bioseed Ventures Limited	20.05	20.05
17,50,280 (2013-14- 17,50,280) Equity shares of Rs.10 each fully paid up of Shri Ganpati Fertilizer Limited # (Re. 1)	#	#
	<b>35.51</b>	<b>35.51</b>
- Others		

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>Unquoted</b>		
11,32,134 (2013-14 - 11,32,134) Equity shares of Rs.10 each fully paid up of Narmada Clean Tech Ltd	1.13	1.13
<b>(b) OTHER INVESTMENTS</b>		
<b>(i) Investment in Equity Instruments</b>		
<b>- Subsidiaries</b>		
<b>Unquoted</b>		
60,01,208 (2013-14 - 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 (2013-14 - 83,51,207) Equity shares of Rs.10 each fully paid-up of DCM Shriram Aqua Foods Limited.	4.22	4.22
Nil* (2013-14 - 2,00,000 ) Equity shares of Rs. 10 each fully paid up of DCM Shriram Energy and Infrastructure Limited	-	0.20
Less: Provision for diminution in value of investment	-	(0.20)
*dissolved during the year		
Nil** (2013-14 - 17,32,500) Equity shares of Rs. 10 each fully paid up of Shriram Axial Private Limited (Formerly Shriram Vinyl Polytech Private Limited)	-	3.42
50,000 (2013-14 - 50,000) Equity shares of Rs. 10 each fully paid up of Shridhar Shriram Foundation	0.05	0.05
50,007 (2013-14 - 50,007) Equity shares of Rs. 10 each fully paid up of Bioseed India Limited	0.05	0.05
5,00,000 (2013-14 - 5,00,000) Equity shares of Rs. 10 each fully paid up of Hariyali Services Limited (Formerly Hariyali Insurance Broking Limited)	0.50	0.50
Less: Provision for diminution in value of investment	-	(0.50)
	(0.50)	
	4.54	7.96
<b>- Joint Venture</b>		
<b>Unquoted</b>		
17,32,500 (2013-14 - Nil**) Equity shares of Rs. 10 each fully paid up of Shriram Axial Private Limited (Formerly Shriram Vinyl Polytech Private Limited)	3.42	-
<b>(ii) Investment in Government securities</b>		
<b>Unquoted</b>		
National savings certificates	0.08	0.08
<b>TOTAL:</b>	<b>44.68</b>	<b>44.68</b>
Aggregate book value:		
- Unquoted	44.68	44.68
Aggregate provision for diminution in value of investments	0.50	0.70

\*\*Refer Note 17

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>2.13 LONG-TERM LOANS AND ADVANCES</b> (Unsecured considered good unless otherwise stated)		
Capital advances	5.80	4.68
Security deposits	37.48	34.95
Loans and advances to subsidiary companies (Refer note 7)	126.86	104.83
Employee loans and advances	8.18	9.53
MAT credit entitlement	101.15	89.23
Others loans and advances #	34.53	4.51
	<b>314.00</b>	<b>247.73</b>
<b>2.14 OTHER NON-CURRENT ASSETS</b>		
Long-term trade receivables		
Unsecured considered good	2.73	3.80
Fixed Deposits with banks (Earmarked)	7.82	9.16
	<b>10.55</b>	<b>12.96</b>
# includes amount deposited with Government authorities		
<b>CURRENT ASSETS</b>		
<b>2.15 CURRENT INVESTMENTS</b>		
Investment in Mutual funds - unquoted		
Nil (2013-14 - 485,842) Units of Rs. 1001.52 each of Tata Money Market Fund Plan A- Daily Dividend	-	48.66
Nil (2013-14 - 847,960) Units of Rs. 1001.52 each of Tata Money Market Fund Direct Plan- Daily Dividend	-	84.92
Nil (2013-14 - 3,92,884) Units of Rs. 1528.74 each of Reliance Liquid fund Market Fund - Daily Dividend Reinvestment option	-	60.06
	<b>-</b>	<b>193.64</b>
<b>2.16 INVENTORIES *</b>		
Raw materials	23.73	20.77
Work-in-progress	21.61	28.14
Finished goods	803.90	850.54
Stock-in-trade	80.54	50.76
Stores and spares	150.02	147.31
	<b>1,079.80</b>	<b>1,097.52</b>
<b>2.17 TRADE RECEIVABLES **</b>		
Outstanding for a period exceeding six months from due date for payment		
Secured - considered good	0.01	0.05
Unsecured - considered good	203.34	161.00
Unsecured - considered doubtful	14.70	15.51
	<b>218.05</b>	<b>176.56</b>
Less: Provision for doubtful receivables	14.70	15.51
	<b>203.35</b>	<b>161.05</b>
Others		
Secured - considered good	0.68	0.75
Unsecured - considered good	803.36	817.83
	<b>1,007.39</b>	<b>979.63</b>

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>2.18 CASH AND BANK BALANCES</b>		
Cash and cash equivalents		
Balances with banks on		
-current accounts @	75.84	182.08
-deposit accounts #	4.13	1.64
Cheques on hand	0.18	0.34
Cash on hand	0.44	1.15
Other bank balances		
-deposit accounts #	2.86	101.35
	<b>83.45</b>	<b>286.56</b>
<b>2.19 SHORT-TERM LOANS AND ADVANCES</b> (Unsecured Considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	164.54	154.34
Considered doubtful	1.20	1.99
	<b>165.74</b>	<b>156.33</b>
Less: Provision for doubtful advances	1.20	1.99
	<b>164.54</b>	<b>154.34</b>
Loans and advances to subsidiary companies (Refer note 7)		
Considered good	33.96	12.77
Considered doubtful	21.88	19.50
	<b>55.84</b>	<b>32.27</b>
Less: Provision for doubtful advances	21.88	19.50
	<b>33.96</b>	<b>12.77</b>
Employee loans and advances	5.23	4.73
Deposits (Refer note 7)	18.69	22.61
Balances with customs, excise etc.	10.72	11.24
Tax payments (net of provision of current tax)	16.61	-
	<b>249.75</b>	<b>205.69</b>
<b>2.20 OTHER CURRENT ASSETS</b> (Unsecured Considered good unless otherwise stated)		
Other receivables		
Considered good	15.14	35.52
Unbilled revenue	8.76	12.07
Consideration receivable against sale of PVC compounds business	-	29.50
Interest accrued on investments, deposits etc.	8.12	4.77
Fixed assets held for sale	147.29	182.23
	<b>179.31</b>	<b>264.09</b>
	<b>2,599.70</b>	<b>3,027.13</b>

\* Inventories are valued at lower of cost and net realisable value

\*\* includes amount due from subsidiaries Rs. 20.38 crores (2013-14 - Rs. 17.91 crores) and refer note 3

@ Includes Rs. 2.40 crores (2013-14 - Rs.5.78 crores) balances with banks earmarked for unpaid dividends, debenture interest, margin money etc.

# includes Rs. 6.99 crores (2013-14; Rs. 2.99 crores) Earmarked for specific purposes

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Year ended March 31, 2015 Rs. Crores	Year ended March 31, 2014 Rs. Crores
<b>2.21 OTHER OPERATING REVENUES</b>		
Rent	0.48	0.60
Liabilities/provisions no longer required written back	11.78	6.55
Scrap sale and other miscellaneous income	18.46	14.75
	<b>30.72</b>	<b>21.90</b>
<b>2.22 OTHER INCOME</b>		
Interest income	29.40	28.74
Dividend income on unquoted current investments	12.39	9.14
Profit on sale of fixed assets (net)	5.59	7.51
Rent	4.73	4.71
Profit on sale of Textile business	0.24	-
Miscellaneous income	4.22	1.37
	<b>56.57</b>	<b>51.47</b>
<b>2.23 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Closing stock	906.05	929.44
Opening stock	929.44	1,215.38
Less: Stock transferred pursuant to slump sale of Textile business	0.43 929.01	- 1,215.38
	<b>22.96</b>	<b>285.94</b>
<b>2.24 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages, bonus, gratuity, commission, etc.	365.45	338.49
Expense on Employee stock purchase scheme (Refer note 13)	2.17	1.84
Provident and other funds	25.09	23.31
Welfare	27.03	19.38
	<b>419.74</b>	<b>383.02</b>
<b>2.25 FINANCE COSTS</b>		
Interest expenses	52.81	75.02
Other borrowing costs	1.77	2.16
Net loss on foreign currency transactions and translation	54.72	68.70
	<b>109.30</b>	<b>145.88</b>

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Year ended March 31, 2015 Rs. Crores	Year ended March 31, 2014 Rs. Crores
<b>2.26 OTHER EXPENSES</b>		
Consumption of stores and spare parts	214.33	205.87
Power, fuel etc.	673.22	608.92
Rent	20.88	19.37
Repairs		
Buildings	11.28	10.48
Plant and machinery	27.57	30.51
Donation	1.16	2.44
Insurance	7.92	8.88
Rates and taxes	2.95	3.88
Auditors' remuneration		
Audit fee	0.84	0.75
Tax audit	0.11	0.09
Limited reviews	0.45	0.40
Other certification services*	0.89	0.76
Out-of-pocket expenses	0.04	0.03
Directors' fees	0.15	0.12
Bad debts and advances written off #	2.11	5.74
Less: adjusted against provision for doubtful debts and advances	(1.18)	(4.41)
Provision for doubtful debts and advances ##	2.75	23.82
Freight and transport	55.17	57.32
Commission to selling agents	4.61	6.49
Brokerage, discounts (other than trade discounts), etc.	5.50	3.07
Selling expenses	79.31	74.21
Exchange fluctuation	9.34	2.90
Royalty	74.97	59.98
Increase/(decrease) in excise duty on finished goods	4.53	(10.99)
Miscellaneous expenses	120.09	109.52
	1,318.99	1,220.15
Less:- Cost of own manufactured goods capitalised	(0.03)	(0.04)
	1,318.96	1,220.11

\* Includes service tax

# includes Rs. 0.87 crores (2013-14: Rs. Nil) in respect of a subsidiary company

## includes Rs. 2.38 crores (2013-14: Rs. 19.50 crores) in respect of advance given to a subsidiary company

## 2.27 PROVISION FOR TAX

Current tax	51.91	66.07
Less:- MAT credit entitlement	(33.53)	(17.42)
Deferred Tax	(8.98)	(15.98)
Tax adjustments related to earlier years:		
- Current tax written back	(15.85)	-
- Provision for MAT credit entitlement	21.61	-
	15.16	32.67



## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	This Year Rs. Crores	Previous Year Rs. Crores
2.28(i) Contingent liabilities not provided for:		
Claims* (excluding claims by employees where amount not ascertainable) not acknowledged as debts:		
Sales tax matters	1.33	1.33
Excise matters	-	2.12
Service tax matters	31.66	-
Additional premium on land	8.11	8.11
Others	5.93	5.93
<b>Total</b>	<b>47.03</b>	<b>17.49</b>
*all the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of management the legal proceedings, when ultimately concluded, will not have a material effect on results of operations or financial position of the Company.		
(ii) Capital commitments (net of advances)	60.34	19.18
(iii) Guarantees given to financial institutions, banks and other parties in respect of loans availed by subsidiaries and other parties:		
Amount guaranteed	-	1.85
Amount of loans outstanding	-	0.04

3. In accordance with past practice, the Company has taken revenue credits aggregating Rs.123.83 crores (2013-14 - Rs. 18.25 crores) 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. Necessary adjustments to revenue credits so accrued will be made on issuance of notification by FICC, Government of India.

#### 4. Segment reporting

##### A. Business segments:

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting", the Company's business segments include: Fertilisers (manufacturing of urea), Chloro-Vinyl (manufacturing of poly-vinyl chloride, carbide and chlor alkali products), Shriram Farm solutions (trading of di-ammonium phosphate, muriate of potash, super phosphate, other fertilisers, seeds and pesticides), Sugar (manufacturing of sugar products and co-generation of Power), Cement (manufacturing of cement), Hariyali Kisaan Bazaar (Rural retail), Bioseed (production of hybrid seeds), Others (UPVC window systems, textiles and plaster of paris). Sale of power from the power generation facilities set up for the business 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 business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

## NOTES TO THE ACCOUNTS (Continued)

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a) Segment revenue and expenses:

Joint revenue and joint expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

b) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. 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.

c) Inter segment sales:

Inter segment sales between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

d. Information about business segments

Rs. Crores

PARTICULARS	Fertiliser		Shriram Farm Solutions		Bioseed		Sugar		Hariyali Kisaan Bazaar		Chloro-Vinyl		Cement		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	This Year	Previous Year	This Year	Previous Year
<b>1. REVENUE</b>																				
External sales (Gross)	725.07	626.13	1416.06	1778.83	295.03	199.02	1062.23	1554.06	464.82	427.51	1374.65	1358.13	155.42	148.61	213.97	227.86			5707.25	6320.15
Other Operating Income	3.40	1.53	0.07	0.11	1.72	2.17	13.20	6.45	0.73	1.58	8.15	7.62	1.05	1.23	2.40	1.21			30.72	21.90
Inter segment sales	-	-	0.69	0.55	187.64	219.41	-	-	-	-	16.35	16.07	0.44	0.25	-	0.06	205.12	236.34		
<b>Total revenue</b>	<b>728.47</b>	<b>627.66</b>	<b>1416.82</b>	<b>1779.49</b>	<b>484.39</b>	<b>420.60</b>	<b>1075.43</b>	<b>1560.51</b>	<b>465.55</b>	<b>429.09</b>	<b>1399.15</b>	<b>1381.82</b>	<b>156.91</b>	<b>150.09</b>	<b>216.37</b>	<b>229.13</b>	<b>205.12</b>	<b>236.34</b>	<b>5,737.97</b>	<b>6,342.05</b>
<b>2. RESULTS</b>																				
Segment results	37.46	23.18	87.09	65.17	53.95	50.76	(68.45)	(5.36)	3.10	5.76	317.13	374.37	(5.13)	(0.33)	(3.56)	(9.53)			421.59	504.02
Unallocated expenses (net of income)																			55.20	50.81
<b>Operating profit/(loss)</b>	<b>37.46</b>	<b>23.18</b>	<b>87.09</b>	<b>65.17</b>	<b>53.95</b>	<b>50.76</b>	<b>(68.45)</b>	<b>(5.36)</b>	<b>3.10</b>	<b>5.76</b>	<b>317.13</b>	<b>374.37</b>	<b>(5.13)</b>	<b>(0.33)</b>	<b>(3.56)</b>	<b>(9.53)</b>			<b>366.39</b>	<b>453.21</b>
Interest expense and finance cost																			109.30	145.88
<b>Profit before tax</b>																			<b>257.09</b>	<b>307.33</b>
Provision for taxation																				
Current /deferred tax																			9.40	32.67
- Tax adjustments related to earlier years																			5.76	-
<b>Net profit</b>																			<b>241.93</b>	<b>274.66</b>
<b>3. OTHER INFORMATION</b>																				
<b>A. ASSETS</b>																				
Segment assets	529.30	478.99	566.17	599.88	509.60	418.66	1226.17	1262.41	173.67	212.76	692.15	747.10	50.32	46.93	150.95	162.85			3,898.33	3,929.58
Unallocated assets																			447.28	838.55
<b>Total assets</b>	<b>529.30</b>	<b>478.99</b>	<b>566.17</b>	<b>599.88</b>	<b>509.60</b>	<b>418.66</b>	<b>1226.17</b>	<b>1262.41</b>	<b>173.67</b>	<b>212.76</b>	<b>692.15</b>	<b>747.10</b>	<b>50.32</b>	<b>46.93</b>	<b>150.95</b>	<b>162.85</b>			<b>4,345.61</b>	<b>4,768.13</b>
<b>B. LIABILITIES</b>																				
Segment liabilities	87.51	89.18	417.85	422.86	264.74	182.41	441.26	712.12	10.05	12.89	195.60	179.95	40.71	32.50	67.86	55.90			1,525.58	1,687.81
Share capital and reserves																			1,857.06	1,673.56
Secured and unsecured loans																			744.52	1,155.33
Unallocated liabilities																			218.45	251.43
<b>Total liabilities</b>	<b>87.51</b>	<b>89.18</b>	<b>417.85</b>	<b>422.86</b>	<b>264.74</b>	<b>182.41</b>	<b>441.26</b>	<b>712.12</b>	<b>10.05</b>	<b>12.89</b>	<b>195.60</b>	<b>179.95</b>	<b>40.71</b>	<b>32.50</b>	<b>67.86</b>	<b>55.90</b>			<b>4,345.61</b>	<b>4,768.13</b>
<b>C. OTHERS</b>																				
Capital expenditure	18.90	8.96	-	-	1.57	6.82	13.26	12.60	0.14	0.56	25.84	39.00	2.12	2.49	23.41	5.86				
Depreciation	8.50	10.98	-	-	2.95	1.57	36.99	46.01	0.35	0.17	42.04	62.08	1.79	2.49	9.93	8.15				
Non cash expenses other than depreciation	-	0.02	2.42	19.50	1.10	0.20	-	-	-	0.16	0.14	0.40	-	-	0.01	4.87				

## NOTES TO THE ACCOUNTS (Continued)

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### 5. Earnings per share:

	This year	Previous year
Profit after tax (Rs. Crores)	241.93	274.66
Weighted average number of equity shares outstanding	1,62,468,409	1,65,852,548
Basic and diluted earnings per share in rupees (face value – Rs.2 per share) :	14.89	16.56

6. Based on the information available with the Company, the principal amount and interest due to Micro and Small Enterprise as defined under the "The Micro, Small and Medium Enterprises Development Act, 2006" is Rs. 3.25 crores (2013-14 - Rs. 1.38 crores) and Rs. 0.01 crore (2013-14 – Rs. 0.03 crore) respectively.

7. Loans and advances include following amounts due from subsidiaries:

Rs. Crores

Name of the party	Amount outstanding as at year end		Maximum amount outstanding during the year	
	This year	Previous year	This year	Previous year
DCM Shriram Credit and Investments Limited	5.34	5.90	5.90	5.90
DCM Shriram Infrastructure Limited#	31.40	30.78	31.40	30.78
Shriram Bioseed Ventures Limited#	107.42	74.04	107.42	74.04
Shri Ganpati Fertilizers Limited	34.62	26.22	37.25	29.34
Hariyali Rural Ventures Limited*	15.58	19.90	19.90	23.92
DCM Shriram Foundation (formerly Hariyali Rural Foundation)	0.01	0.02	0.01	0.02
DCM Shriram Energy and Infrastructure Limited	-	0.01	0.01	0.01
Hariyali Services Limited (formerly Hariyali Insurance Broking Limited)	-	0.11	0.22	0.23
DCM Shriram Thermal Energy Limited	-	0.01	0.01	0.01
DCM Shriram Hydro Energy Limited	-	0.01	0.01	0.01
Bioseeds Limited#	3.45	-	3.45	-
Bioseed Vietnam Limited	0.23	-	0.23	-
Bioseed Research Philippines Inc.	0.23	-	0.23	-
<b>Total</b>	<b>198.28</b>	<b>157.00</b>		

\* represents security deposit

# includes loans given during the year for working capital requirements (also refer note 9)

8. Details of Pre-operative expenses pending allocation included under Capital work in progress in Note 2.11 is as under :

Particulars	This year	Previous year
Brought forward from the previous year	5.78	5.78
Less: Charged to statement of profit and loss	-	-
<b>Transferred to capital work-in-progress</b>	<b>5.78</b>	<b>5.78</b>

9. Related party disclosures under Accounting Standard AS-18 "Related Party Disclosures":

#### A. Name of related party and nature of related party relationship

Holding company:

Sumant Investments Private Limited

##### 1. Subsidiaries:

DCM Shriram Credit and Investments Limited, Bioseed India Limited, DCM Shriram Infrastructure Limited, DCM Shriram Aqua Foods Limited, DCM Shriram Foundation (formerly Hariyali Rural Foundation), Hariyali Rural Ventures Limited, Hariyali Services Limited (formerly Hariyali Insurance Broking Limited), Fenesta India Limited, Shri Ganpati Fertilizers Limited, Shriram Bioseed (Thailand) Ltd., Bioseeds Limited, Bioseed Research Philippines Inc., Bioseeds Holdings PTE. Ltd., Bioseed Vietnam Limited, Shriram Bioseed Ventures Limited, Shriram Bioseeds Ltd., Shridhar Shriram Foundation, PT Shriram Seed Indonesia, Bioseed Research USA Inc., PT Shriram Genetics Indonesia, DCM Shriram Thermal Energy Limited #, Hariyali India Limited #, DCM Shriram Energy and Infrastructure Limited #, DCM Shriram Hydro Energy Limited #, Zeus Investments Limited #

# dissolved during current year

##### 2. Joint Venture:

Shriram Axial Private Limited (formerly Shriram Vinyl PolyTech Pvt. Limited, a 100% subsidiary of the Company upto April 9, 2014)

##### 3. Key Managerial Persons, their relatives and HUFs:

Mr. Ajay S. Shriram, Mr. Vikram S. Shriram, Mr. Rajiv Sinha\*, Mr. Ajit S. Shriram, Mr. N.J. Singh, Mr. K.K. Kaul \*\*, Mr. Aditya A. Shriram (relative of Mr. Ajay S. Shriram), Mr. Anand A. Shriram (relative of Mr. Ajay S. Shriram), Mrs. Divya Sinha\* (relative of Mr. Rajiv Sinha), Ms. Arunima Sinha\* (relative of Mr. Rajiv Sinha), Mrs. Anuradha Bishnoi (relative of Mr. Ajay S. Shriram), M/s. Ajay S. Shriram (HUF), M/s. Vikram S. Shriram (HUF), M/s. Ajit S. Shriram (HUF).

\* (upto 31.10.2013)

\*\* (w.e.f. 02.07.2014)

# NOTES TO THE ACCOUNTS (Continued)

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## B. Transactions with related parties referred to in note 9 above.

Rs. Crores																			
TYPE OF TRANSACTIONS	DCM Shriram Credit and Investments Ltd.	DCM Shriram Aqua Foods Ltd.	DCM Shriram Infrastructure Ltd.	Shriram Bioseed Ventures Ltd.	Hariyali Rural Ventures Ltd.	Shri Ganpati Fertilizers Ltd.	DCM Shriram Energy and Infrastructure Ltd.	DCM Shriram Foundation	DCM Shriram Thermal Energy Ltd	Bioseed Vietnam Ltd.	Bioseed Research Philippines Ltd.	Bioseeds Limited	PT Shriram Seed Indonesia	Hariyali Services Limited	DCM Shriram Hydro Energy Ltd.	Fenesta India Ltd.	Shriram Axiall Pvt Limited *	Key managerial personnel their relatives and their HUF	Total
Sale of finished goods										4.65 (1.55)	0.27 (0.58)		- (0.92)			44.17 (25.07)	27.64 (25.12)	0.41 -	77.14 (53.24)
Interest income	0.53 (0.59)		0.02 (-)	3.39 (1.55)		2.58 (2.31)						0.02 (-)							6.54 (4.45)
Interest expenses		0.13 (0.13)																	0.13 (0.13)
Common services expenses recovered																	0.96 (0.96)		0.96 (0.96)
Supply of water, power and steam																	1.61 (1.73)		1.61 (1.73)
Purchases of finished goods						18.70 (27.12)											0.06 (0.05)		18.76 (27.17)
Sale of Fixed Assets																	5.15 (-)		5.15 -
Rent paid					@ (@)													4.29 (5.10)	4.29 (5.10)
Rent received														- (0.01)					- (0.01)
Security deposits given																		- (0.09)	- (0.09)
Security deposits received back					4.32 (3.96)													- (0.48)	4.32 (4.44)
Remuneration																		13.53 (14.04)	13.53 (14.04)
Loans and advances given (net)	- (0.09)		0.62 (0.76)	33.38 (18.30)			# (#)	- (0.01)	## (##)			3.45 (-)			- @@				37.45 (19.16)
Loans repaid (net)		- (0.05)																	- (0.05)
Loans and advances received back (net)	0.56 (-)						0.01 (-)	0.01 (-)	0.01 (-)					0.12 (0.01)	@@@ (-)				0.71 (0.01)
Loans taken		0.14 (-)																	0.14 -
Provision for doubtful debts/ advances						2.38 (19.50)													2.38 (19.50)
Bad debts / advances written off										0.87 (-)				- (0.11)	### (-)				0.87 (0.11)
Reimbursement of Expenses										0.23 (-)	0.23 (-)								0.46 -
Balance outstanding as at the year end																			
Security deposits receivable					15.58 (19.90)													8.34 (8.34)	23.92 (28.24)
Loans and advances receivable	5.34 (5.90)		31.40 (30.78)	107.42 (74.04)		34.62 (26.22)	- (0.01)	0.01 (0.02)	- (0.01)	0.23 (-)	0.23 (-)	3.45 (-)		- (0.11)	- (0.01)				182.70 (137.10)
Loan payable		1.45 (1.31)																	1.45 (1.31)
Interest receivable			0.02 (-)	6.13 (1.55)								0.02 (-)							6.17 (1.55)
Trade receivable										13.94 (10.16)	5.10 (5.21)		1.34 (1.29)				3.08 (1.25)		23.46 (17.91)
Interest payable		0.25 (0.22)																	0.25 (0.22)
Trade payable						0.02 (-)										3.65 -			3.67 -
Purchase consideration receivable																	- (29.50)		- (29.50)
Commission Payable																		4.75 (4.33)	4.75 (4.33)

Figures in bracket denotes previous year figures  
 (#) Rs. Nil (2013-14 Rs.25,000)  
 ## Rs. Nil (2013-14 Rs.25,000)  
 ### Rs. 50,000 (2013-14 Rs. Nil)  
 @ Rs. Nil (2013-14 Rs.4,800)  
 @@ Rs. 10,000 [Rs. 50,000 written off] (2013-14 Rs. 25000)  
 @@@ Rs. 10,000 (2013-14 Rs. Nil)  
 \* Joint Venture

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### Disclosure in respect of material transaction with Key managerial personnel, their relatives and their HUF

Nature of the transaction	Name	This year	Previous year
Rent paid	M/s. Ajay S. Shriram (HUF)	1.47	1.47
	M/s. Vikram S. Shriram (HUF)	1.31	1.29
	M/s. Ajit S. Shriram (HUF)	1.31	1.31
	Mr. Rajiv Sinha	-	0.42
	Relatives of Key management personnel	0.20	0.61
		4.29	5.10
Security deposits received back	Mr. Rajiv Sinha	-	0.21
	Relatives of Key management personnel	-	0.27
		-	0.48
Remuneration (including Commission)	Mr. Ajay S. Shriram	4.06	3.78
	Mr. Vikram S. Shriram	3.89	3.64
	Mr. Rajiv Sinha	-	2.83
	Mr. Ajit S. Shriram	3.27	3.05
	Mr. K. K. Kaul	1.20	-
	Mr. N.J. Singh	0.66	0.58
	Relatives of Key management personnel	0.45	0.16
		13.53	14.04

#### 10. 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	18.09	16.70
- Employers' contribution to superannuation fund	7.00	6.61
- Employers' contribution to employees' state insurance corporation	0.26	0.41

##### ii) Defined benefit plans:

###### a) Gratuity

###### b) Compensated absences – Earned leave/ sick leave

In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined benefit plans and details of the same are given below:-

	Rs. Crores					
	Gratuity (Partially funded)		Compensated absences			
			Earned leave (Unfunded)		Sick leave (Unfunded)	
	This Year	Previous Year	This Year	Previous year	This Year	Previous year
Discount rate (per annum)	8%	8%	8%	8%	8%	8%
Future salary increase	7%	7%	7%	7%	7%	7%
Expected rate of return on plan assets	8.75%	9%	-	-	-	-
In service mortality	*	*	*	*	*	*
Retirement age	58/60 years	58/60 years	58/60 years	58/60 years	58/60 years	58/60 years
Withdrawal rates:						
- upto 30 years	3%	3%	3%	3%	3%	3%
- upto 44 years	2%	2%	2%	2%	2%	2%
- above 44 years	1%	1%	1%	1%	1%	1%
I. Expense recognised in statement of profit and loss						
Current service cost	6.09	4.94	4.31	3.70	2.40	1.79
Interest cost	6.93	6.10	2.59	2.58	1.70	1.69
Expected return on plan assets	(0.16)	(0.10)	-	-	-	-
Net actuarial( gain) / loss recognised in the year	2.84	3.52	2.50	1.96	(1.96)	(1.27)
Past service cost	-	-	-	-	-	-
Total expense	15.70	14.46	9.40	8.24	2.14	2.21
II. Net asset/(liability) recognised in the balance sheet						
Present value of Defined benefit obligation	93.10	83.72	39.80	34.28	23.40	21.31
Fair value of plan assets	2.06	1.84	-	-	-	-
Funded status [(deficit)]	(91.04)	(81.88)	(39.80)	(34.28)	(23.40)	(21.31)
Net asset/(liability)	(91.04)	(81.88)	(39.80)	(34.28)	(23.40)	(21.31)
Non-current liability	(76.61)	(67.85)	(34.65)	(30.99)	(17.38)	(16.29)
Current liability	(14.43)	(14.03)	(5.15)	(3.29)	(6.02)	(5.02)

## NOTES TO THE ACCOUNTS (Continued)

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	Gratuity (Partially funded)		Compensated absences			
			Earned leave (Unfunded)		Sick leave (Unfunded)	
	This Year	Previous Year	This Year	Previous year	This Year	Previous year
<b>III. Change in the present value of obligation during the year</b>						
Present value of obligation as at the beginning of the year	83.72	74.49	34.28	30.05	21.31	18.90
Interest cost	6.93	6.10	2.59	2.58	1.70	1.69
Current service cost	6.09	4.94	4.31	3.70	2.40	1.79
Benefits paid	(5.75)	(6.15)	(3.67)	(4.63)	-	-
Actuarial (gains) / losses on obligation	2.85	3.57	2.50	1.96	(1.96)	(1.27)
Transfer from BRI pursuant to Merger	-	0.77	-	0.62	-	0.20
Transfer of Textile unit liability pursuant to slump sale #	(0.74)	-	(0.21)	-	(0.05)	-
Present value of obligation as at the end of the year	93.10	83.72	39.80	34.28	23.40	21.31
<b>IV. Change in the fair value of assets during the year</b>						
Fair value of plan assets at the beginning of the year	1.84	0.95	-	-	-	-
Transfer from BRI pursuant to Merger	-	0.48	-	-	-	-
Expected return on plan assets	0.16	0.10	-	-	-	-
Employer contribution	0.28	0.28	-	-	-	-
Actual benefits paid	(0.23)	(0.02)	-	-	-	-
Actuarial gain/(loss) on plan assets	0.01	0.05	-	-	-	-
Fair value of plan assets at the end of the year	2.06	1.84	-	-	-	-
Actual return on plan assets	0.17	0.15	-	-	-	-

\*IALM (2006-08) duly modified

# Refer note 15

Note:

- The plan assets are maintained with LIC of India Gratuity Scheme. The details of investment maintained by LIC are not available and have therefore not been disclosed.
- The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

### Disclosure relating to present value of defined benefit obligation and fair value of plan assets and net actuarial loss:-

Rs. Crores

Particulars	2014-15			2013-14			2012-13			2011-12			2010-11		
	Gratuity	Earned leave	Sick leave	Gratuity	Earned leave	Sick leave	Gratuity	Earned leave	Sick leave	Gratuity	Earned leave	Sick leave	Gratuity	Earned leave	Sick leave
Present value of obligation as at the end of the year	93.10	39.80	23.40	83.72	34.28	21.31	74.49	30.05	18.90	69.03	27.95	17.61	61.90	25.13	15.80
Fair value of plan assets at the end of the year	2.06	-	-	1.84	-	-	0.95	-	-	0.63	-	-	0.47	-	-
Surplus / Defecit in plan assets	91.04	39.80	23.40	(81.88)	(34.28)	(21.31)	(73.54)	(30.05)	(18.90)	(68.40)	(27.95)	(17.61)	(61.43)	(25.13)	(15.80)
Experience adjustment on plan assets {Gain / (loss)}	0.01	-	-	0.05	-	-	-	-	-	-	-	-	-	-	-
Experience adjustment on plan liabilities {Gain / (loss) }	2.85	2.50	(1.96)	3.57	1.96	(1.27)	2.75	0.71	(1.35)	3.42	1.67	(1.16)	4.56	2.28	(0.61)

### 11. Secured loan

a.	Short term working capital borrowings from banks:
1.	Loans from banks on cash credit account of Rs. 101.27 Crores (2013-14 – Rs. 98.80 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 and 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 and Hariawan in Uttar Pradesh.
2.	Short Term Loans of Rs. 196.53 Crores (2013-14 - Rs. 227.09 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 and Bioseed Research India, Hyderabad), and 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 and Hariawan in Uttar Pradesh.



## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

b. Long term borrowings from banks:		
	Nature of Security	Terms of Repayment
1.	Term loan of Rs. Nil (2013-14 – Rs. 74.89 Crores) is secured by way of first pari passu mortgage/charge created on immovable/movable fixed assets, both present and future, of the Company's undertakings at Jhagadia, Distt Bharuch, Gujarat (Rs. Nil due within 1 year; 2013-14 - Rs. 20.96 Crores)	-
2.	Term Loan of Rs. 31.25 Crores (2013-14 -Rs. 59.91 Crores) is secured by way of first pari -passu mortgage/charge created on immovable /movable fixed assets, both present and future, of the company's undertaking at Loni Sugar Complex, Uttar Pradesh and Rs. 10.42 Crores (2013-14- Rs. 19.97 Crores) is secured by way of first charge created on movable fixed assets, both present and future, of the company's undertaking at Rupapur Sugar Complex, Uttar Pradesh (Rs. 41.67 Crores due within 1 year; 2013-14- Rs. 39.94 Crores )	- Rs.41.67 Crores repayable in 2 equal Semi- Annual installments
3.	Term Loan of Rs. Nil (2013-14 - Rs 0.01 Crore) is secured by way of equitable mortgage of Land/Building, both present and future, of SBM unit of the Company at Tonk, Rajasthan (Rs. Nil due within 1 year; 2013-14-Rs. 0.01 Crores)	-
4.	Term Loans of Rs. Nil (2013-14 -Rs. 89.87 Crores) and Rs. Nil (2013-14 -Rs. 29.95 Crores) are secured by way of first pari -passu mortgage/charge created on immovable /movable fixed assets, both present and future, of the company's undertaking at Ajbapur Sugar Complex, Uttar Pradesh and Loni Sugar Complex, Uttar Pradesh respectively (Rs. Nil due within 1 year; 2013-14- Rs. 5.99 Crores)	-
5.	Term loan of Rs. 96.86 Crores (2013-14 – Rs. 96.86 Crores) is secured by way of second pari passu charge created on all the current assets, both present and future, of the Company (except Shriram Bioseed Genetics, Hyderabad and Bioseed Research India, Hyderabad) and by way of third pari passu mortgage /charge created on immovable/movable fixed assets, both present and future, of sugar units of the Company located at Ajbapur, Rupapur, Hariawan and Loni. (Rs. NIL due within 1 year; 2013-14- Rs. Nil)	- Rs. 96.86 Crores repayable in 36 Equal monthly Installments starting from April 2016.
c. Long term loans from others:		
1.	Term loan of Rs. 192.31 Crores (2013-14- Rs. 230.42 Crores) is secured by way of first pari passu mortgage/charge created on immovable and movable assets (excluding current assets), both present and future and a second charge ranking pari passu on the current assets, both present and future, of the Company's undertakings at Kota, Rajasthan and Jhagadia, Distt Bharuch in equal proportion (Rs. 48.08 Crores due within 1 year; 2013-14-Rs. 46.08 Crores)	- Rs. 192.31 Crores repayable in 8 equal Semi-Annual Installments
2.	Term loan of Rs. 12.50 Crores (2013-14- Rs 35.95 Crores) is secured by way of first pari passu mortgage/charge created on immovable and movable assets (excluding current assets), both present and future and a second charge ranking pari passu on the current assets, both present and future, of the Company's undertakings at Kota, Rajasthan (Rs. 12.50 Crores due within 1 year; 2013-14-Rs. 23.96 Crores)	- Rs.12.50 Crores repayable in 1 Semi-Annual Installment
3.	Term loan of Rs. 8.25 Crores (2013-14– Rs. 13.18 Crores ) is secured by way of first pari passu mortgage/charge created on immovable/movable assets (excluding current 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 Hariawan Sugar Complex, Uttar Pradesh (Rs. 5.49 Crores due within 1 year; 2013-14-Rs. 5.27 Crores)	- Rs. 8.25 Crores repayable in 3 Equal Semi-Annual Installments
4.	Term loan of Rs. 21.30 Crores (2013-14- Rs. 26.64 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts), both present and future, pertaining to the Company's Ajbapur Sugar Complex, Uttar Pradesh (Rs. 5.33 Crores due within 1 year; 2013-14-Rs. 5.33 Crores)	- Rs. 21.31 Crores repayable in 4 Equal Annual Installments
5.	Term loan of Rs. 6.56 Crores (2013-14– Rs. 9.84 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts), both present and future, pertaining to the Company's Hariawan Sugar Complex, Uttar Pradesh (Rs. 3.28 Crores due within 1 year; 2013-14-Rs. 3.28 Crores)	- Rs. 6.56 Crores repayable in 8 Quarterly Installments
6.	Term loan of Rs. 14.24 Crores (2013-14– Rs. 14.24 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; 2013-14- Rs. Nil)	- Rs. 14.24 Crores repayable in 5 Annual Equal Installments starting from December 2016
7.	Term Loan of Rs. 9.68 Crores (2013-14- Rs. 10.75 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts) both present and future, pertaining to the Company's Loni Sugar Complex, Uttar Pradesh (Rs. 2.15 Crores due within 1 year; 2013-14-Rs. 1.08 Crores)	- Rs. 9.68 Crores repayable in 9 Equal Semi- Annual Installments
8.	Term loan of Rs. 2.53 Crores (2013-14- Rs. 2.80 Crores) from Department of Biotechnology, Government of India is secured against hypothecation of plant and machinery, machinery spares, tools and accessories acquired from the loan proceeds to Company's Bioseed Research India division. (Rs. 0.29 Crores due within 1 year; 2013-14 – Rs. 0.29 Crores)	- Rs. 0.17 Crores repayable in 6 equal installments - Rs. 1.80 Crores repayable in 7 equal annual installments - Rs. 0.56 Crores repayable in 10 equal installments commencing after completion of project.

12. During the financial year 2014-15, the Company has incurred Rs 3.19 crores towards corporate social responsibility under section 135 of the Companies Act 2013.

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
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### 13. Employee share based payments

The Company has an Employees Stock Purchase Scheme ('Scheme') 2010, which is administered through DSCL Employees Benefits Trust based on acquisition of shares from the market to provide equity based incentives to employees. Under the Scheme, the Company has granted shares to employees with specified lock-in period. The expenses on the Scheme is accounted for at intrinsic value i.e. excess of market price on the date of grant over the exercise price of the shares granted and is amortized on a straight line basis over the lock-in period, if any.

14. With effect from April 1, 2014, depreciation on fixed assets is computed in accordance with Schedule II of the Companies Act 2013. Consequent thereto, depreciation charge for the year is lower by Rs. 18.61 crores and depreciation amounting to Rs. 10.92 crores (net of deferred tax Rs 5.62 crores) has been adjusted from the opening balance of retained earnings.
15. The Company has sold its textile spinning unit at Tonk, Rajasthan as a going concern, on slump sale basis for a lump sum consideration of Rs. 17.13 crores w.e.f. June 24, 2014. Consequent to the above, Rs 0.24 crores representing the excess of sales consideration over the net assets transferred has been shown as 'other income' in note 2.22.
16. Deposits received under Section 76 of the Companies Act, 2013 are repayable upto March 2018 based on the maturity dates. (due within 1 year Rs. 0.57 crores; 2013-14 Rs. 5.48 crores).
17. During the year, Axiall LLC, USA acquired 50% stake in Shriram Axiall Private Limited (Formerly, Shriram Vinyl Polytech Private Limited, a 100% subsidiary of the Company) in pursuance of the Joint Venture Agreement entered amongst the Company, Shriram Axiall Private Limited and Axiall LLC, USA. Details of Company's interest in joint venture as per Accounting Standard (AS)-27 on Financial reporting of interest in joint venture is as under:

Name of Joint Venture	Shriram Axiall Private Limited
Country of incorporation	India
Ownership Interest	50%
Assets	Rs. 40.18 crores
Liabilities	Rs. 20.78 crores
Income	Rs. 64.80 crores
Expenses	Rs. 65.16 crores
Capital commitments	Rs. 0.18 crore

18. There are no disputed dues of wealth tax, and cess matters. The details of disputed Excise Duty, Service Tax, Income-Tax, Custom Duty and Sales-tax dues as on March 31, 2015 are as follows:

Nature of the statute	Nature of the dues	Forum where pending	Amount* (Rs. in Crores)	Amount paid under protest (Rs. in Crores)	Period to which the amount relates
Central Excise Law	Excise Duty	Appellate authority up to Commissioners' level	3.30	0.05	1995-96, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12
		Customs, Excise and Service Tax Appellate Tribunal	4.01	1.17	1997-98, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	31.92	31.71	2005-06, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13
Income Tax Act, 1961	Income Tax	Appellate authority up to Commissioners' level	8.08	8.08	2010-11, 2011-12
		Income Tax Appellate Tribunal	2.92	2.92	2007-08, 2008-09, 2009-10
Customs Act, 1962	Customs Duty	Customs, Excise and Service Tax Appellate Tribunal	5.38	0.54	2012-13
Sales Tax Laws	Sales tax	Appellate authority up to Commissioners' level	1.43	0.49	1983-84, 2001-02, 2005-06, 2006-07, 2007-08, 2009-10, 2011-12
		Appellate Tribunal	2.39	0.95	1994-95, 2009-10

\*amount as per demand orders including interest and penalty wherever quantified in the Order.

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
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19. Provision for contingencies aggregating to Rs. 12.09 crores (2013-14 - Rs. 12.09 crores) in note 2.6 represents the maximum possible exposure on ultimate settlement of issues relating to reconstruction arrangement of the companies.
20. Research and development expenses included under relevant heads in the statement of profit and loss Rs. 44.21 crores (2013-14- Rs. 40.68 crores).
21. Category wise quantitative data about Derivative Instruments:

Nature of Derivative	Number of deals		Purpose		Amount in foreign currency (in Crores)		Amount in Rs. Crores	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
US Dollar Interest rate swap	3	7	Hedging	Hedging	USD 0.94	USD 3.30	59.03	198.04
Currency swap	4	8	Hedging	Hedging	USD 1.02	USD 4.38	63.81	262.62
Options	1	2	Hedging	Hedging	USD 0.50	USD 1.00	31.25	59.91

Foreign Currency exposures that are not hedged by derivative instruments or otherwise is as follows:

Particulars	This year		Previous Year	
	Amount in foreign currency (in Crores)	Amount in Rs. Crores	Amount in foreign currency (in Crores)	Amount in Rs. Crores
Loans	-	-	USD 0.01	0.40
Current Liabilities	USD 0.01	0.47	USD 0.03	1.97
	EUR 0.004	0.25	EUR 0.005	0.43
	JPY 0.02	0.01	JPY 0.50	0.29
	GBP 0.0001	0.01	-	-
Current Assets	USD 0.005	0.31	USD 0.006	0.37

22. 'Excise duty' on sales has been deducted from gross sales on the face of statement of profit and loss. 'Increase/ (decrease) in excise duty on finished goods' has been shown under the head 'Other expenses' in note 2.26.
23. Disclosure in respect of operating leases under Accounting Standards - 19 "Leases" are as under:

a) **Assets taken on lease:**

- (i) The Company has entered into lease agreements for lease of offices, showrooms etc., generally for a period of 5/15 years, which can be terminated, by serving notice period as per the terms of the agreements.

- (ii) Total of minimum lease payments  
The total of minimum lease payments for a period :
- Not later than one year
  - Later than one year and not later than five years
  - Later than five years
- (iii) Lease payment recognised in the statement of profit and loss for the year\*

Rs. Crores	
This Year	Previous Year
6.30	6.53
3.35	2.60
2.95	3.93
-	-
23.01	22.14

\*Rs. 2.13 crores (2013-14 – Rs. 2.77 crores) is included in Employees benefits expense

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
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### b) Assets given on lease:

- (i) The Company has entered into operating lease arrangements for buildings. The details of leased assets are as under:

	Gross Block		Accumulated depreciation		Depreciation for the year	
	This year	Previous year	This year	Previous year	This year	Previous year
Land and building	20.50	20.50	2.27	1.99	0.28	0.29
Plant and Machinery	0.67	0.37	0.21	0.17	0.04	0.03
Furniture and Fittings	1.22	1.22	1.05	0.95	0.10	0.10
Office equipments	0.06	0.06	0.05	0.04	0.01	-
	22.45	22.15	3.58	3.15	0.43	0.42

### (ii)

Future minimum lease rent receivables in respect of non-cancellable lease

- Not later than one year

- Later than one year and not later than five years

- Later than five years

Rs. Crores	
This Year	Previous Year
11.46	11.76
0.40	0.40
1.66	1.62
9.40	9.74

24. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

25. Notes 1 to 25 and the statement of additional information form an integral part of the financial statements.

### Statement of Additional Information

#### 1. Particulars of stocks and sales

Rs. Crores

Description	Stocks				Sales	
	Opening		Closing		2014-15	2013-14
	2014-15	2013-14	2014-15	2013-14		
Urea	-	-	-	-	725.06	626.13
PVC resins	17.22	6.70	4.16	17.22	489.14	410.85
Caustic soda	3.59	2.14	3.14	3.59	705.84	710.02
Chlorine	0.07	0.10	0.03	0.07	8.90	39.63
Compressed Hydrogen	-	-	-	-	29.34	21.46
Stable Bleaching Powder	0.01	0.01	0.07	0.01	13.32	10.87
Marketable Calcium carbide	0.90	0.35	3.45	0.90	107.88	126.68
D.A.P.	0.12	0.47	-	0.12	178.97	466.16
M.O.P.	-	2.20	0.30	-	150.30	160.19
Super Phosphate	0.99	-	8.16	0.99	462.09	515.97
Zinc Sulphate	1.61	0.93	2.68	1.61	26.56	38.67
Cement	1.54	2.41	1.03	1.54	154.92	148.04
Yarn	1.18	0.72	-	1.18	11.19	40.72
Sugar	528.06	784.79	499.71	528.06	903.30	1,357.38
Molasses	33.28	38.77	57.79	33.28	57.72	80.52
UPVC Windows	2.51	4.82	2.17	2.51	196.82	181.66
Power Sale	-	-	-	-	54.06	62.70
Petrol / Diesel	3.92	5.41	3.52	3.92	454.42	417.60
Other sales/stocks and adjustments	306.30	331.83	298.23	306.30	977.42	904.90
Total	901.30	1,181.65	884.44	901.30	5,707.25	6,320.15

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
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### 2. Particulars of raw materials consumed

Description	Rs. Crores	
	2014-15	2013-14
Liquidated natural gas	395.41	337.12
Lime and lime stone	47.61	44.05
Hard coke/SLV/Pearl/Nut coke/Met coke/Pet coke	69.39	67.73
Charcoal	0.20	0.53
Salt	75.02	62.03
Lime stone	14.35	12.73
Kapas, cotton, synthetic yarn etc.	7.68	30.10
Sugarcane	898.01	1,026.14
Other miscellaneous raw materials	253.05	205.63
<b>Total</b>	<b>1,760.72</b>	<b>1,786.06</b>

### 3. Particulars of goods purchased for resale

Description	Rs. Crores	
	2014-15	2013-14
D.A.P.	163.26	440.65
M.O.P.	126.24	147.97
Super Phosphate	446.72	497.87
Petrol / Diesel	445.38	407.92
Others	379.36	376.13
<b>Total</b>	<b>1,560.96</b>	<b>1,870.54</b>

### 4. Other Additional Information

Description	Rs. Crores	
	2014-15	2013-14
(a) Value of imports on CIF basis		
Raw materials	8.95	32.57
Components and spare parts	32.21	11.04
Capital goods	2.48	126.43
Others	424.10	610.41
(b) Expenditure in foreign currency on cash basis		
Travelling	1.08	2.22
Interest	20.24	32.29
Consultation fees	4.72	3.70
Others	0.70	6.55
(c) Earnings in foreign exchange on cash basis		
Direct export of goods on FOB basis/ as per contracts where		
FOB value not readily ascertainable	5.90	4.21
Others	-	3.01

	2014-15		2013-14	
	Rs. Crores	%	Rs. Crores	%
(d) Value of imported/indigenous raw materials, spare parts, components and stores consumed				
(i) Raw materials				
Imported	32.29	1.83	33.55	1.88
Indigenous	1,728.43	98.17	1,752.51	98.12
	1,760.72	100.00	1,786.06	100.00
(ii) Spare parts, components and stores				
Imported	20.68	9.65	13.23	6.43
Indigenous	193.65	90.35	192.64	93.57
	214.33	100.00	205.87	100.00

Signatures to Notes 1 to 25.

SAMEET GAMBHIR  
Company Secretary

J.K. JAIN  
Chief Financial Officer

S.S. BAIJAL  
Director  
DIN: 00027961

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

New Delhi  
May 1, 2015

# Consolidated Financial Statements

## Independent Auditors' Report

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

To the members of DCM Shriram Limited  
(Formerly DCM Shriram Consolidated Limited)

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of DCM SHRIRAM LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entity, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its jointly controlled entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose

of expressing an opinion on whether the Holding Company has an adequate internal financial controls systems over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to below in the Other Matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entity as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of subsidiaries viz. DCM Shriram Credit and Investments Limited, Bioseed India Limited, DCM Shriram Infrastructure Limited, DCM Shriram Thermal Energy Limited, DCM Shriram Energy and Infrastructure Limited, Hariyali Rural Ventures Limited, DCM Shriram Aqua Foods Limited, Bioseeds Limited, Bioseed Vietnam Limited, Bioseed Holdings PTE Limited, Bioseed Research Philippines Inc., Shriram Bioseed (Thailand) Limited, Shriram Bioseed Ventures Limited, Shriram Bioseed Limited, Zeus Investments Limited, DCM Shriram Hydro Energy Limited, Fenesta India Limited, Hariyali India Limited, Hariyali Services Limited (Formerly known as Hariyali Insurance Broking Limited), Shri Ganpati Fertilizers Limited, Bioseed Research USA, Inc., PT. Shriram Seed Indonesia and PT. Shriram Genetics Indonesia and a jointly controlled entity viz. Shriram Axial Private Limited (Formerly Shriram Vinyl Polytech Limited) whose financial statements reflect total assets (net) of Rs. 311.30 crores as at March 31, 2015, total revenues of Rs. 204.92 crores and net cash inflows amounting to Rs. 3.90 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in



terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and jointly controlled company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to the 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 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 its jointly controlled company incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity.
  - ii. The Group and its jointly controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and jointly controlled company incorporated in India.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 015125N)

Vijay Agarwal  
Partner  
(M. No.: 094468)

New Delhi,  
May 1, 2015

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

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

Our reporting on the Order includes thirteen subsidiary companies and one jointly controlled company incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

(i) In respect of the fixed assets of the Holding Company, subsidiary companies and jointly controlled company incorporated in India:

- (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Holding Company, subsidiary companies and jointly controlled company incorporated in India have a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion and the opinion of the other auditors, is reasonable having regard to the size of the respective entities and the nature of their assets. Pursuant to the program, certain fixed assets were physically verified by the Management of the respective entities during the year. According to the information and explanations given to us and the other auditors, no material discrepancies were noticed on such verification.

In case of six subsidiaries viz. Bioseed India Limited, Hariyali Services Limited (Formerly known as Hariyali Insurance Broking Limited), DCM Shriram Energy and Infrastructure Limited, DCM Hydro Energy Limited, Hariyali India Limited and DCM Shriram Thermal Energy Limited, the Company does not have fixed assets. Therefore, provisions of clause 3(i) of the Companies (Auditor's Report) Order, 2015 are not applicable.

(ii) In respect of the inventories of the Holding Company, subsidiary companies and jointly controlled company incorporated in India:

- (a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals except for inventory lying with third parties at the end of the year for which confirmations have been obtained in most of the cases.
- (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
- (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.

In case of eleven subsidiaries viz. DCM Shriram Credit and Investments Limited, DCM Shriram Infrastructure Limited, Hariyali Rural Ventures Limited, DCM Shriram Aqua Foods Limited, Shriram Bioseed Ventures Limited, Bioseed India Limited, Hariyali Services Limited (Formerly known as Hariyali Insurance Broking Limited), DCM Shriram Energy and Infrastructure Limited, DCM Shriram Hydro Energy Limited, Hariyali India Limited and DCM Shriram Thermal Energy Limited, the respective entities does not have any inventory. Therefore, provisions of clause 3(ii) of the Companies (Auditor's Report) Order, 2015 are not applicable.

- (iii) According to the information and explanations given to us, the Holding Company, subsidiary companies and jointly controlled company incorporated in India have not granted any loans, secured or unsecured, to the companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company, subsidiary companies and jointly controlled company incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our and the other auditors audit, no continuing failure to correct major weaknesses in such internal control system has been observed.
- (v) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us and the other auditors, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in respect of any of the respective entities. Further, the subsidiary companies and jointly controlled company incorporated in India have not accepted any deposits during the year.

- (vi) According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company, subsidiary companies and jointly controlled company incorporated in India have, prima facie, made and maintained the prescribed cost records, pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

In the case of following subsidiaries viz. DCM Shriram Credit and Investments Limited, DCM Shriram Infrastructure Limited, Hariyali Rural Ventures Limited, DCM Shriram Aqua Foods Limited, Shriram Bioseed Ventures Limited, Bioseed India Limited, Hariyali Services Limited (Formerly known as Hariyali Insurance Broking Limited), Fenesta India Limited, DCM Shriram Energy and Infrastructure Limited, DCM Shriram Hydro Energy Limited, Hariyali India Limited and DCM Shriram Thermal Energy Limited and a jointly controlled entity viz. Shriram Axial Private Limited (Formerly Shriram Vinyl Polytech Limited), the cost records mentioned in Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 are not applicable

- (vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company, subsidiary companies and jointly controlled company incorporated in India:
  - (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.
  - (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable other than in the case of one subsidiary company, where liability on account of entry tax amounting to Rs. 504,698 is outstanding for a period of more than six months from the date it became payable.

- (c) There are no disputed dues of Wealth Tax and Cess matters. The details of disputed dues not paid of Excise Duty, Service Tax, Income-tax, Customs Duty and Sales Tax/ Value Added Tax dues as at March 31, 2015 are as follows:

- (xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company, subsidiary companies and jointly controlled

Nature of Statute	Nature of Dues	Forum where pending	Amount* (Rs. in Crores)	Amount paid under protest (Rs. in Crores)	Period to which the amount relates
Central Excise Law	Excise Duty	Appellate authority upto Commissioner's level	3.30	0.05	1995-96, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12
		Customs, Excise and Service Tax Appellate Tribunal	4.01	1.17	1997-98, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	31.92	31.71	2005-06, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13
Income Tax Act, 1961	Income Tax	Appellate authority upto Commissioner's level	8.08	8.08	2010-11, 2011-12
		Income Tax Appellate Tribunal	2.92	2.92	2007-08, 2008-09, 2009-10
Customs Act, 1962	Customs Duty	Customs, Excise and Service Tax Appellate Tribunal	5.38	0.54	2012-13
Sales Tax Laws	Sales Tax	Appellate authority upto Commissioner's level	1.43	0.49	1983-84, 2001-02, 2005-06, 2006-07, 2007-08, 2009-10, 2011-12
		Appellate Tribunal	2.39	0.95	1994-95, 2009-10

\* Amount as per demand orders including interest and penalty wherever quantified in the Order.

- (d) The aforesaid entities have been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and Rules made thereunder within time.
- (viii) The Group and its jointly controlled entity does not have consolidated accumulated losses at the end of the financial year and the Group and its jointly controlled entity have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies and jointly controlled company incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and debenture holders other than in the case of one subsidiary in which there was default in repayment of dues on account of term loans to financial institutions amounting to Rs 15.59 lacs pertaining to earlier years.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Holding Company for loans taken by others outside of the Group and its jointly controlled entity from banks and financial institutions are not, prima facie, prejudicial to the interests of the Group and jointly controlled entities. Further, according to the information and explanations given to the other auditors, the subsidiary companies and jointly controlled company incorporated in India have not given guarantees for loans taken by others outside of the Group and jointly controlled entity from banks and financial institutions.

company incorporated in India during the year for the purposes for which they were obtained. In the case of twelve subsidiaries viz. DCM Shriram Credit and Investments Limited, DCM Shriram Infrastructure Limited, Hariyali Rural Ventures Limited, DCM Shriram Aqua Foods Limited, Shriram Bioseed Ventures Limited, Bioseed India Limited, Hariyali Services Limited (Formerly known as Hariyali Insurance Broking Limited), Fenesta India Limited, DCM Shriram Energy and Infrastructure Limited, DCM Shriram Hydro Energy Limited, Hariyali India Limited and DCM Shriram Thermal Energy Limited and jointly controlled entity viz. Shriram Axial Private Limited (Formerly Shriram Vinyl Polytech Limited), the entities have not taken any term loans during the year and therefore, the provisions of clause 3 (xi) of the Companies (Auditor's Report) Order, 2015 are not applicable to the respective entities.

- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, its subsidiary companies and jointly controlled company incorporated in India and no material fraud on the Holding Company, its subsidiary companies and jointly controlled company incorporated in India has been noticed or reported during the year.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 015125N)

New Delhi,  
May 1, 2015

Vijay Agarwal  
Partner  
(M. No.: 094468)

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Notes	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	32.64	32.77
Reserves and surplus	2.2	1,825.90	1,653.87
		1,858.54	1,686.64
<b>Minority Interest</b>			
		0.96	0.92
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	301.21	588.25
Deferred tax liabilities (net)	2.4	122.03	135.24
Other long-term liabilities	2.5	36.47	35.46
Long-term provisions	2.6	148.33	130.31
		608.04	889.26
<b>Current liabilities</b>			
Short-term borrowings	2.7	338.88	430.93
Trade payables	2.8	1,119.98	1,310.91
Other current liabilities	2.9	453.53	482.98
Short-term provisions	2.10	36.73	50.69
		1,949.12	2,275.51
<b>Total</b>		<b>4,416.66</b>	<b>4,852.33</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	2.11	1,370.30	1,442.56
Intangible assets		72.45	70.08
Assets on lease		0.54	0.72
Capital work-in-progress		59.18	51.03
Intangible assets under development		2.70	-
		1,505.17	1,564.39
Non-current investments	2.12	5.83	5.88
Long-term loans and advances	2.13	188.55	145.87
Other non-current assets	2.14	10.71	13.23
		1,710.26	1,729.37
<b>Current assets</b>			
Current investments	2.15	-	196.92
Inventories	2.16	1,132.15	1,152.34
Trade receivables	2.17	1,070.94	1,041.39
Cash and Bank balances	2.18	95.38	295.92
Short-term loans and advances	2.19	213.79	183.26
Other current assets	2.20	194.14	253.13
		2,706.40	3,122.96
<b>Total</b>		<b>4,416.66</b>	<b>4,852.33</b>
<b>Significant accounting policies and Notes to the consolidated Financial Statements</b>		1 to 24	

In terms of our report attached  
Deloitte Haskins & Sells  
Chartered Accountants

VIJAY AGARWAL  
Partner

SAMEET GAMBHIR  
Company Secretary

J.K. JAIN  
Chief Financial Officer

S.S. BAIJAL  
Director  
DIN: 00027961

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

New Delhi  
May 1, 2015

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED MARCH 31, 2015

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Notes	Year ended March 31, 2015 Rs. Crores	Year ended March 31, 2014 Rs. Crores
<b>Revenue from operations</b>			
Sale of Products		5,850.40	6,431.20
Less: Excise duty		244.09	272.17
		5,606.31	6,159.03
Other operating revenues	2.21	32.87	23.16
		5,639.18	6,182.19
Other income	2.22	51.58	49.78
<b>Total Revenue</b>		<b>5,690.76</b>	<b>6,231.97</b>
<b>Expenses</b>			
Cost of materials consumed		1,840.15	1,871.56
Purchases of stock-in-trade		1,562.51	1,848.36
Change in inventories of finished goods, work-in-progress and stock-in-trade	2.23	26.89	270.61
Employee benefits expense	2.24	447.15	414.13
Finance costs	2.25	111.75	148.58
Depreciation and amortisation expense	2.11	110.20	137.89
Other expenses	2.26	1,363.75	1,268.40
<b>Total Expenses</b>		<b>5,462.40</b>	<b>5,959.53</b>
<b>Profit before tax</b>		<b>228.36</b>	<b>272.44</b>
Provision for taxation	2.27		
-Current tax		19.79	49.95
-Deferred tax		(7.99)	(19.89)
-Tax adjustments related to earlier years		5.76	-
<b>Profit after tax</b>		<b>210.80</b>	<b>242.38</b>
Earnings per equity share-basic/diluted (Rs.)		12.97	14.61
<b>Significant accounting policies and Notes to the consolidated Financial Statements</b>	<b>1 to 24</b>		

In terms of our report attached  
Deloitte Haskins & Sells  
Chartered Accountants

VIJAY AGARWAL  
Partner

SAMEET GAMBHIR  
Company Secretary

J.K. JAIN  
Chief Financial Officer

S.S. BAIJAL  
Director  
DIN: 00027961

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

New Delhi  
May 1, 2015

# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED MARCH 31, 2015

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Year ended March 31, 2015 Rs. Crores	Year ended March 31, 2014 Rs. Crores
<b>A. Cash flow from operating activities</b>		
Net profit before tax and exceptional items	228.36	272.44
Adjustments for :		
Depreciation and amortization expense	110.20	137.89
(Profit)/ loss on sale/ write off of Fixed Assets (net)	(7.03)	(9.91)
(Profit) on sale of Textile business	(0.24)	-
Exchange differences on conversion	7.73	11.30
Finance cost	111.75	148.58
Less: interest and dividend income	(35.68)	(34.09)
<b>Operating profit before working capital changes</b>	<b>415.09</b>	<b>526.21</b>
Adjustments for :		
Trade receivables	(38.45)	(7.82)
Long term loans and advances	(30.06)	0.53
Short term loans and advances	(12.52)	(15.08)
Other non current assets	2.48	3.02
Other current assets	23.76	(3.73)
Inventories	18.02	228.81
Trade payables	(191.01)	242.65
Long term provisions	19.85	11.62
Short term provisions	3.96	2.78
Other long term liabilities	1.95	2.10
Other current liabilities	9.90	49.44
<b>Cash generated from operations</b>	<b>222.97</b>	<b>1,040.53</b>
Income taxes (paid)	(56.34)	(71.18)
<b>Net cash from operating activities</b>	<b>166.63</b>	<b>969.35</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(104.39)	(95.13)
Sale of fixed assets	52.58	41.54
Fixed deposits and current account balances with banks (earmarked)	0.72	16.35
Consideration pursuant to sale of Textile business	17.13	-
Sale/(Purchase) of non-trade current investments (net)	196.92	(195.65)
Sale of non-trade non current Investment	0.04	-
Consideration pursuant to sale of PVC compounds business	29.50	-
Interest received	22.85	22.90
Dividend received	12.57	9.51
<b>Net cash from / (used) in investing activities</b>	<b>227.92</b>	<b>(200.48)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings		
Proceeds from short term borrowings		
Repayment of long term borrowings	(325.49)	(90.35)
Repayment of short term borrowings (net)	(94.52)	(207.20)
Buy Back of Equity Shares	(5.88)	(24.21)
Proceeds from issue of equity shares by a subsidiary	-	0.92
Changes in working capital borrowings	2.47	(82.28)
Dividends paid	(48.72)	(26.54)
Corporate dividend tax paid	(8.28)	(4.52)
Finance cost paid	(113.96)	(150.56)
<b>Net cash used in financing activities</b>	<b>(594.38)</b>	<b>(584.74)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(199.83)</b>	<b>184.13</b>
Cash and cash equivalents as at opening *		
Cash and cheques in hand and balances with banks	285.82	101.69
Cash and cash equivalents as at closing *		
Cash and cheques in hand and balances with banks	85.99	285.82
* excludes Rs. 2.40 crores (2013-14 - Rs.5.78 crores) held in dividend/margin money accounts and Rs. 6.99 crores (2013-14 - Rs. 4.32 crores) deposits with banks for specific purposes		

In terms of our report attached  
Deloitte Haskins & Sells  
Chartered Accountants

VIJAY AGARWAL  
Partner

SAMEET GAMBHIR  
Company Secretary

J.K. JAIN  
Chief Financial Officer

S.S. BAIJAL  
Director  
DIN: 00027961

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

New Delhi  
May 1, 2015



# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Statement of accounting policies

#### (i) Basis of accounting

The consolidated financial statements of the DCM Shriram Limited (formerly DCM Shriram Consolidated Limited) ("the Company"), its subsidiaries and joint venture (together the 'Group') have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013/Companies Act, 1956, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

#### (ii) Principles of consolidation

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 and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- the financial statement of the jointly controlled entity have been combined by using proportionate consolidation method and accordingly venture's share of each of the assets, liabilities, income and expense is included in consolidated financial statements.
- 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.
- the excess of cost to the Company of its investment in a subsidiary company over the Company's portion of the equity of the subsidiary at the date on which investment in subsidiary is made is recognised in the financial statements as goodwill and is tested for impairment. However, where the share of equity in the subsidiary companies 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 in the consolidated financial statements are:

Name of the Company	Country of incorporation	% voting power held as at March 31, 2015	% voting power held as at March 31, 2014
<b>(i) Subsidiary companies</b>			
DCM Shriram Credit and Investments Limited (DSCIL)	India	100	100
Bioseed India Limited	India	100	100
DCM Shriram Infrastructure Limited (100 % subsidiary of DSCIL)	India	100	100
Hariyali Rural Ventures Limited	India	100	100
DCM Shriram Aqua Foods Limited	India	100	100
Shriram Bioseed Ventures Limited (SBVL)	India	100	100
Fenesta India Limited	India	100	100
Hariyali Services Ltd. (formerly Hariyali Insurance Broking Limited)	India	100	100
Shri Ganpati Fertilizers Limited	India	81.41	81.41
Bioseeds Limited (BL)	Mauritius	100	100
Bioseed Holdings PTE Limited (BHP) (100% subsidiary of BL)	Singapore	100	100
Bioseed Research Philippines Inc (100% subsidiary of BHP)	Philippines	100	100
Bioseed Vietnam Limited (100% subsidiary of BL)	Vietnam	100	100
PT Shriram Seed Indonesia (95% subsidiary of BHP)	Indonesia	95	95
Shriram Bioseed (Thailand) Limited (99.99% subsidiary of BHP)	Thailand	99.99	99.99
Shriram Bioseeds Limited (SBL) (100% subsidiary of SBVL)	Mauritius	100	100
Bioseed Research USA Inc. (100% subsidiary of SBVL)	USA	100	100
PT. Shriram Genetics Indonesia	Indonesia	100	100
Shriram Axiall Private Limited (formerly Shriram Vinyl Polytech Private Limited)*	India	-	100
Zeus Investments Limited*	Mauritius	-	100
DCM Shriram Thermal Energy Limited (100 % subsidiary of DSCIL)*	India	-	100
Hariyali India Limited (100% subsidiary of DSCIL)*	India	-	100
DCM Shriram Energy and Infrastructure Limited (DSEIL)*	India	-	100
DCM Shriram Hydro Energy Limited (100% subsidiary of DSEIL)*	India	-	100
<b>(ii) Joint Venture Company</b>			
Shriram Axiall Private Limited @	India	50%	-

\* dissolved during current year

@ Shriram Axiall Private Limited (formerly Shriram Vinyl PolyTech Pvt. Limited, a 100% subsidiary of the Company upto April 9, 2014)

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

- c) The accounts of subsidiaries namely DCM Shriram Foundation (formerly Hariyali Rural Foundation) and Shridhar Shriram Foundation, incorporated under Section 25 of the Companies Act, 1956 are not considered for consolidation since the objective of control in these companies is not to obtain economic benefits from its activities.

## (iii) Fixed assets and depreciation

### a) Owned assets

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes and incidental expenses and interest on loans attributable to the acquisition of assets up to the date of commissioning of assets. Capital subsidy received against specific assets is reduced from the value of relevant fixed assets.

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

Depreciation on tangible fixed assets has been provided as per useful life specified in schedule II to the Companies Act, 2013, except in the case of following assets where the life of the assets has been assessed based on past history, technical evaluation and the nature of the asset as under:

- catalyst tubes	7.6 years
- cell units	9.5 years
- Brine sludge lagoon	5.7 years

Depreciation is calculated on a pro-rata basis from the date of additions, except in the case of assets costing upto Rs.5000 each, where each such asset is fully depreciated in the year of purchase.

Depreciation/amortization on intangibles is provided on straight line method as follows:

- Technical know-how	10 years
- Brand	10 years
- Software	5 years

On assets sold, discarded, etc. during the year, depreciation is provided upto the date of sale/discard.

### b) Assets taken on finance lease

Fixed assets taken on finance lease on or after April 1, 2001 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 fixed assets taken on finance lease, when there is reasonable certainty that the Company will obtain ownership by the end of the lease term, depreciation is provided in accordance with the policy followed by the Company for owned assets.

## (iv) Foreign currency transactions and derivatives

- a) Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing on the date of transaction.

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

The exchange differences 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 that the exchange differences arising till the commissioning of fixed assets, relating to borrowed funds and liabilities in foreign currency for acquisition of the fixed assets are adjusted to the cost of fixed assets.

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortised as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognized as income/ expense for the period except that the exchange differences, including premium or discount on forward exchange contracts, arising till the commissioning

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

of fixed assets, relating to borrowed funds and liabilities in foreign currency for acquisition of the fixed assets are adjusted to the cost of fixed assets.

- b) In case of foreign subsidiaries, the assets and liabilities have been translated into Indian Rupees at the closing exchange rate at the year end whereas revenues and expenses reflected in the statement of profit and loss have been translated into Indian Rupees at monthly average exchange rate for the reporting period. The resultant translation exchange differences are accumulated in "Foreign currency translation reserve" to be recognised as income or expense in the period in which net investment in concerned foreign subsidiary is disposed off.

## (v) Inventories

Inventories are valued at lower of cost or net realisable value. The basis for determining cost (which also includes taxes and duties wherever applicable) for different categories of inventory are as under:

Stores & spares, raw materials and stock-in-trade	- Weighted average rate.
Work-In-Progress and finished goods	- Direct cost plus appropriate share of overheads after giving credit for other income and excluding certain expenses like ex-gratia and gratuity.

Securities are valued at cost or net realisable value, whichever is lower.

By-products are valued at estimated net realisable value.

## (vi) Revenue recognition

- a) Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with dispatch to customers. Sales include excise duty but exclude sales tax and value added tax.
- b) Under the retention pricing scheme, the Government of India reimburses to the fertiliser industry, the difference between the retention price based on the cost of production and selling price (as realised 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 assessment of ultimate collection with reasonable degree of certainty at the time of accrual.

## (vii) Investments

Long term investments are stated at cost unless there is a permanent fall in value thereof. Current investments are stated at cost or net realisable value, whichever is less.

## (viii) Employee benefits

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

Provisions for gratuity and compensated absences determined on an actuarial basis at the end of the year are charged to revenue each year. The Company makes contribution to the LIC for Employees Gratuity Scheme in respect of employees of one of the divisions.

## (ix) Research and development

The revenue expenditure on research and development is charged as an expense in the year in which it is incurred. Capital expenditure is included in fixed assets.

## (x) Income-tax

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the group in accordance with the provisions of applicable tax laws of the respective jurisdiction where the entities are located.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, between taxable income and accounting income. Deferred tax assets on unabsorbed depreciation and carry forward losses are recognised on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
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Consolidated Limited)

	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>2.1 SHARE CAPITAL</b>		
<b>Authorised</b>		
29,49,50,000 (2013-14- 29,49,50,000) Equity shares of Rs.2 each with voting rights	58.99	58.99
65,01,000 (2013-14 - 65,01,000) Cumulative redeemable preference shares of Rs.100 each	65.01	65.01
	<b>124.00</b>	<b>124.00</b>
<b>Issued</b>		
16,98,03,320 (2013-14 - 16,98,03,320) Equity shares of Rs.2 each with voting rights	33.96	33.96
<b>Subscribed and fully paid up</b>		
16,24,16,137 (2013-14 - 16,32,06,411 ) Equity shares of Rs. 2 each with voting rights fully called - up	32.48	32.64
Less:- NIL (2013-14 - 138,562 ) Equity shares of Rs. 2 each bought back*	-	(0.03)
	<b>32.48</b>	<b>32.61</b>
Add :- Forfeited shares - Amount originally paid up	0.16	0.16
	<b>32.64</b>	<b>32.77</b>

## 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, 2013	165,903,320	33.18
Less: Equity shares buy back*	2,696,909	0.54
As at March 31, 2014	163,206,411	32.64
Less: Equity shares buy back	790,274	0.16
As at March 31, 2015	162,416,137	32.48

\*During the financial year 2013-14, the Company has bought back 28,35,471 equity shares of Rs 2/- each, out of which 26,96,909 equity shares were extinguished upto March 31, 2014 and the balance 138,562 equity shares have been extinguished subsequent to March 31, 2014

	As at 31.03.2015		As at 31.03.2014	
	No. of shares	%	No. of shares	%
(ii) Shares held by the holding company:				
Sumant Investments Private Limited	98,282,284	60.51%	98,282,284	60.22%
(iii) The shareholders holding more than 5% equity shares are as under:				
Sumant Investments Private Limited	98,282,284	60.51%	98,282,284	60.22%
Life Insurance Corporation of India	12,863,749	7.92%	12,863,749	7.88%

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>2.2 RESERVES AND SURPLUS</b>		
Capital reserve		
Opening Balance	22.61	22.61
Add: Adjustment related to Joint Venture	15.01	-
	37.62	22.61
Capital redemption reserve		
Opening Balance	8.98	8.41
Add: Transferred from share premium on account of buyback of equity shares	0.13	0.57
	9.11	8.98
Securities premium account		
Opening Balance	40.86	65.07
Less: Utilisation for buy back of equity shares	(5.75)	(23.64)
Less: Transferred to capital redemption reserve on buy back of equity shares	(0.13)	(0.57)
	34.98	40.86
General reserve		
Opening Balance	830.55	755.44
Add: Movement related to employees stock purchase scheme	0.39	0.11
Add: Transferred from statement of profit and loss	-	75.00
	830.94	830.55
Storage fund for molasses account		
Opening Balance	1.03	0.90
Add: Transferred from statement of profit and loss	0.13	0.13
	1.16	1.03
Statutory reserve*	0.79	0.77
Foreign currency translation reserve		
Opening Balance	27.36	16.06
Add: Adjustments during the year	5.27	11.30
	32.63	27.36
Balance in Statement of Profit and loss		
Opening Balance	721.71	592.79
Less: Adjustment related to joint venture	(0.61)	-
Less: Adjustment of depreciation (refer note 16)	(11.08)	-
Add: Profit during the year	210.80	242.38
Amount available for appropriation	920.82	835.17
Appropriations:		
Interim dividend on equity shares	29.23	13.27
Proposed final dividend on equity shares	6.50	19.49
Corporate dividend tax	6.29	5.57
Transfer to general reserve	-	75.00
Storage fund for molasses account	0.13	0.13
	878.67	721.71
	1,825.90	1,653.87

\*As per the Reserve Bank of India (Amendment) Act 1997

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
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	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>NON CURRENT LIABILITIES</b>		
<b>2.3 LONG-TERM BORROWINGS</b>		
Secured		
Term loans		
From banks [Refer note 13(b)]	96.86	304.56
From others [Refer note 13(c)]	190.25	258.53
	287.11	563.09
Unsecured		
Deposits		
Fixed	13.58	8.88
Others	-	15.57
Finance lease liability [Refer note 7]	0.52	0.71
	14.10	25.16
	301.21	588.25
<b>2.4 DEFERRED TAX LIABILITIES (NET)</b>		
Deferred tax liabilities		
Depreciation	209.58	214.24
	209.58	214.24
Deferred tax assets		
Provision for gratuity and compensated absences	54.01	47.84
Provision for doubtful debts and advances	5.87	6.32
Others	27.67	24.84
	87.55	79.00
	122.03	135.24
<b>2.5 OTHER LONG-TERM LIABILITIES</b>		
Interest accrued but not due on loans and deposits	7.47	8.41
Security deposits	29.00	27.04
Others	-	0.01
	36.47	35.46
<b>2.6 LONG-TERM PROVISIONS</b>		
Provision for employee benefits		
Gratuity	77.56	69.69
Compensated absences	52.75	48.53
Other benefits	5.93	-
Provision for contingencies [Refer note 5]	12.09	12.09
	148.33	130.31
	608.04	889.26



# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
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	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>CURRENT LIABILITIES</b>		
<b>2.7 SHORT-TERM BORROWINGS</b>		
Secured		
Loans repayable on demand from banks [refer note 13(a)]	101.27	112.37
Other loans and advances from banks [refer note 13(a)]	196.53	227.09
	297.80	339.46
Unsecured		
Loans repayable on demand - other than bank	2.70	2.80
other loans from banks	38.38	88.67
	41.08	91.47
	338.88	430.93
<b>2.8 TRADE PAYABLES</b>		
Total outstanding dues of micro and small enterprise	3.64	1.41
Total outstanding dues of other than micro and small enterprise	1,116.34	1,309.50
	1,119.98	1,310.91
<b>2.9 OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt (Secured)		
From banks [Refer note 13 (b)]	41.67	66.90
From others [Refer note 13 (c)]	77.28	85.45
Current maturities of long-term debt (Unsecured)		
From others [Refer note 14]	0.57	5.48
Current maturities of finance lease obligations (Refer note 7)	0.22	0.29
Interest accrued but not due on borrowings	5.20	6.47
Interest accrued and due on borrowings		
Advances received from customers	192.55	194.11
Unpaid dividends	2.13	2.09
Unpaid matured deposits and interest accrued thereon	0.06	0.13
Unpaid matured debentures and interest accrued thereon	0.21	0.21
Statutory levies	96.22	94.62
Others liabilities	37.42	27.23
	453.53	482.98
<b>2.10 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits		
Gratuity	14.60	14.06
Compensated absences	11.28	8.46
Other benefits	0.69	-
Contingent provision for standard assets	0.01	0.01
Provision for tax (net of tax paid)	2.33	5.36
Proposed dividend	6.50	19.49
Corporate dividend tax	1.32	3.31
	36.73	50.69
	1,949.12	2,275.51

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
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## NON-CURRENT ASSETS

### 2.11 FIXED ASSETS

Rs. Crores													
	GROSS BLOCK					DEPRECIATION AND AMORTISATION						NET BLOCK	
Description	As at March 31, 2014	Additions	Deductions	Adjustment pursuant to Joint Venture**	As at March 31, 2015	Up to March 31, 2014	For the year	On deductions	Adjustment*	Adjustment pursuant to Joint Venture**	Up to March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangibles													
Land - Freehold	77.11	1.03	0.22	-	77.92 #	-	-	-	-	-	-	77.92	77.11
- Leasehold	17.61	-	-	-	17.61	-	-	-	-	-	-	17.61	17.61
Buildings	263.27	8.50	20.38	-	251.39	61.52	8.17	7.58	9.71	-	71.82	179.57	201.75
Leasehold improvements	3.27	6.40	0.05	-	9.62	1.16	0.65	-	-	-	1.81	7.81	2.11
Plant and equipment	2,336.51	42.78	30.47	(10.64)	2,338.18	1,227.72	82.96	21.89	6.29	(1.09)	1,293.99	1,044.19	1,108.79
Furniture and Fixtures	17.71	3.32	0.62	(0.29)	20.12	13.16	1.90	0.40	0.07	(0.06)	14.67	5.45	4.55
Office equipment	26.18	3.92	4.04	(0.25)	25.81	18.10	4.17	2.67	0.62	(0.06)	20.16	5.65	8.08
Vehicles	43.62	12.65	5.27	(0.55)	50.45	21.06	9.19	3.88	0.02	(0.14)	26.25	24.20	22.56
Add: Share in Joint Venture	-	3.64	0.19	6.08	9.53	-	1.01	0.06	-	0.68	1.63	7.90	-
Sub total (This year)	2,785.28	82.24	61.24	(5.65)	2,800.63	1,342.72	108.05	36.48	16.71	(0.67)	1,430.33	1,370.30	
Previous year	2,718.59	86.54	19.85	-	2,785.28	1,219.12	135.94	12.34	-	-	1,342.72		1,442.56
Intangibles													
Goodwill	74.83	2.82	0.27	-	77.38	9.15	-	-	-	-	9.15	68.23	65.68
Technical Know how	8.71	-	-	-	8.71	7.48	0.70	-	-	-	8.18	0.53	1.23
Computer Software	8.71	1.79	0.01	(0.10)	10.39	5.54	1.21	-	-	(0.02)	6.73	3.66	3.17
Add: Share in Joint Venture	-	-	-	0.05	0.05	-	0.01	-	-	0.01	0.02	0.03	
Sub total (This year)	92.25	4.61	0.28	(0.05)	96.53	22.17	1.92	-	-	(0.01)	24.08	72.45	
Previous year	85.81	7.06	0.62	-	92.25	20.44	1.73	-	-	-	22.17		70.08
Asset on Lease													
Motor Vehicles	1.87	0.09	0.01	-	1.95 @	1.15	0.27	0.01	-	-	1.41	0.54	0.72
Sub total (This year)	1.87	0.09	0.01	-	1.95	1.15	0.27	0.01	-	-	1.41	0.54	
Previous year	1.61	0.40	0.14	-	1.87	1.02	0.26	0.13	-	-	1.15		0.72
Total This year	2,879.40	86.94	61.53	(5.70)	2,899.11	1,366.04	110.24 ##	36.49	16.71	(0.68)	1,455.82	1,443.29	
Total Previous year	2,806.01	94.00	20.61	-	2,879.40	1,240.58	137.93 ##	12.47	-	-	1,366.04		1,513.36
Capital work in progress												59.18	51.03
Intangible assets under development												2.70	-
												1,505.17	1,564.39

\* adjusted from retained earnings pursuant to Schedule II of Companies Act 2013 (refer note 16)

\*\* Refer note 19

# Includes Rs. 15.23 crore (2013-14 - Rs. 21.81 crore) pertaining to land pending registration in favour of the Company.

## Includes Rs. 0.04 crore (2013-14 - Rs. 0.04 crore) included in addition to capital work in progress

@ Refer note 7

	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>2.12 NON-CURRENT INVESTMENTS</b>		
(Valued at cost unless there is permanent fall in value thereof)		
<b>(a) TRADE INVESTMENTS</b>		
<b>(i) Investment in Equity Instruments</b>		
<b>Unquoted</b>		
11,32,134 (2013-14 - 11,32,134) Equity shares of Rs. 10/- each fully paid up of Narmada Clean Tech Ltd	<b>1.13</b>	<b>1.13</b>
	<b>1.13</b>	<b>1.13</b>
<b>(b) NON-TRADE INVESTMENTS</b>		
<b>(i) Investment in Equity Instruments</b>		
<b>Subsidiaries</b>		
<b>Unquoted</b>		
10,000 ( 2013-14 - 10,000) Equity shares of DCM Shriram Foundation (formerly Hariyali Rural Foundation) of Rs. 10/- each fully paid up.	<b>0.01</b>	<b>0.01</b>
50,000 (2013-14 - 50,000) Equity shares of Shridhar Shriram Foundation Rs. 10/- each fully paid up.	<b>0.05</b>	<b>0.05</b>
	<b>0.06</b>	<b>0.06</b>

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
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	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>Others</b>		
<b>Quoted</b>		
1,40,000 (2013-14 - 140,000) Equity shares of IFCI Limited of Rs.10/- each fully paid up.	0.06	0.06
5,400 (2013-14 - 5,400) Master Gains 92 of Unit Trust of India of Rs. 10/- each fully paid up (@ Rs.47,000)	@	@
296,795 (2013-14 - 59,359 ) Equity shares of Bank of Baroda of Rs. 2/- (2013-14 - Rs 10/-) each fully paid up.	1.37	1.37
20,108 (2013-14 - 20,108) Equity shares of Gujrat State Petronet Limited of Rs. 10/- each fully paid up.	0.05	0.05
17,150 (2013-14 - 3,430) Equity shares of Punjab National Bank of Rs. 2/- (2013-14 - Rs 10/-) each fully paid up	0.13	0.13
17,870 (2013-14 - 17,870) Equity shares of Yes Bank Ltd of Rs 10/- each fully paid up.	0.08	0.08
6,53,592 (2013-14 - 6,53,592) Equity shares of Nicco Corporation Ltd of Rs. 2/-each fully paid up	0.40	0.40
	<b>2.09</b>	<b>2.09</b>
<b>Unquoted</b>		
Nil*( 2013-14 - 49,950) Equity shares of Pacific Land Development Private Limited of Rs.10/- each fully paid up	-	0.05
*Dissolved during the year		
5,00,000 (2013-14- 5,00,000) Equity shares of Forech India Ltd. of Rs. 10/- each, Rs. 4/- paid up	1.75	1.75
3,00,000 (2013-14 - 3,00,000) Equity shares of E Commodities Limited of Rs.10/- each fully paid up	0.30	0.30
2,00,000 (2013-14 - 2,00,000) Equity shares of Ellenbarie Commercial Limited of Rs.10/- each fully paid up	1.50	1.50
	<b>(1.08)</b>	<b>(1.08)</b>
Less : Provision for diminution in value of investment	0.42	0.42
40,000 (2013-14 - 40,000) Equity shares of BMD Estate Private Limited of Rs.10/- each fully paid up	0.75	0.75
	<b>(0.75)</b>	<b>(0.75)</b>
Less : Provision for diminution in value of investment	-	-
	<b>2.47</b>	<b>2.52</b>
<b>(ii) Investment in Government securities</b>		
<b>Unquoted</b>		
National savings certificates	0.08	0.08
<b>TOTAL:</b>	<b>5.83</b>	<b>5.88</b>
Aggregate book value - Quoted	2.09	2.09
- Unquoted	3.74	3.79
Aggregate provision for diminution in value of investments	1.83	1.83
Aggregate market value- Quoted	7.30	5.87

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
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	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>2.13 LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured considered good unless otherwise stated)		
Capital advances	6.23	5.10
Security deposit	38.45	36.08
Employee loans and advances	8.22	9.61
MAT credit entitlement	99.92	87.93
Tax payments (net of provision)	0.21	1.69
Others loans and advances#	35.52	5.46
	<b>188.55</b>	<b>145.87</b>
# includes amount deposited with Government authorities		
<b>2.14 OTHER NON-CURRENT ASSETS</b>		
Long-term trade receivables		
Unsecured considered good	2.73	3.80
Fixed Deposits with banks(Earmarked)	7.97	9.38
Interest accrued on investments, deposits etc.	0.01	0.05
	<b>10.71</b>	<b>13.23</b>
<b>CURRENT ASSETS</b>		
<b>2.15 CURRENT INVESTMENTS</b>		
Investment in mutual funds - unquoted		
Nil (2013-14 - 485,842) Units of Rs. 1001.52 each of Tata Money Market Fund Plan A- Daily Dividend	-	48.66
Nil (2013-14 - 847,960) Units of Rs. 1001.52 each of Tata Money Market Fund Direct Plan - Daily Dividend	-	84.92
Nil (2013-14 - 4,09,366) Units of Rs. 1528.74 each of Reliance Liquid fund -Treasury Plan - Daily Dividend Reinvestment option	-	62.58
Nil (2013-14 - 7,598 ) Units of Rs. 1000.51 each of Reliance Liquidity fund Direct Plan- Daily Dividend Reinvestment option	-	0.76
	-	<b>196.92</b>
<b>2.16 INVENTORIES</b>		
Raw materials	30.42	25.78
Work-in-progress	46.18	51.14
Finished goods	814.36	867.89
Stock-in-trade	84.56	53.79
Stores and spares	156.63	153.74
	<b>1,132.15</b>	<b>1,152.34</b>
<b>2.17 TRADE RECEIVABLES*</b>		
Outstanding for a period exceeding six months from due date for payment		
Secured - considered good	0.01	0.05
Unsecured - considered good	222.05	199.58
Unsecured - considered doubtful	22.28	19.89
	<b>244.34</b>	<b>219.52</b>
Less: Provision for doubtful receivables	22.28	19.89
	<b>222.06</b>	<b>199.63</b>
Others		
Secured - considered good	0.68	0.75
Unsecured - considered good	848.20	841.01
	<b>1,071.94</b>	<b>1,041.39</b>

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
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	As at March 31, 2015 Rs. Crores	As at March 31, 2014 Rs. Crores
<b>2.18 CASH AND BANK BALANCES</b>		
Cash and cash equivalents		
Balances with banks on		
-current accounts #	84.39	189.00
-deposit accounts ##	7.23	2.97
Cheques on hand	0.18	0.34
Cash on hand	0.72	2.26
Other bank balances		
-deposit accounts ##	2.86	101.35
	<b>95.38</b>	<b>295.92</b>
<b>2.19 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured Considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	171.66	159.84
Considered doubtful	1.98	2.77
	<b>173.64</b>	<b>162.61</b>
Less: Provision for doubtful advances	1.98	2.77
	<b>171.66</b>	<b>159.84</b>
Employee loans and advances	6.58	5.59
Deposits	5.88	5.96
Balances with customs, excise etc.	12.08	11.53
Tax payments (net of provision of current tax)	17.59	0.34
	<b>213.79</b>	<b>183.26</b>
<b>2.20 OTHER CURRENT ASSETS</b>		
(Unsecured Considered good unless otherwise stated)		
Other receivables		
Considered good	15.93	36.31
Unbilled revenue	8.76	12.07
Interest accrued on investments, deposits etc.	2.08	1.76
Fixed assets held for sale	167.14	202.99
	<b>194.14</b>	<b>253.13</b>
	<b>2,706.40</b>	<b>3,122.96</b>

\* Refer note 4

# Includes Rs. 2.40 crores (2013-14 - Rs. 5.78 crores) earmarked for unpaid dividends, debentures interest etc.

## Includes Rs. 6.99 crores (2013-14 - Rs. 4.32 crores) earmarked for specific purposes

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Year ended March 31, 2015 Rs. Crores	Year ended March 31, 2014 Rs. Crores
<b>2.21 OTHER OPERATING REVENUES</b>		
Rent	0.48	0.60
Liabilities / provisions no longer required written back	11.80	7.45
Interest income	0.32	0.32
Scrap sales and other miscellaneous income	20.27	14.79
	<b>32.87</b>	<b>23.16</b>
<b>2.22 OTHER INCOME</b>		
Interest income	23.11	24.58
Dividend income on non-trade non-current investments	0.18	0.23
Dividend income on non-trade current investments	12.39	9.28
Profit on sale of Textile Business	0.24	-
Profit on sale of Fixed assets (net)	7.03	9.91
Rent	4.73	4.71
Miscellaneous income	3.90	1.07
	<b>51.58</b>	<b>49.78</b>
<b>2.23 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Closing stock	945.10	972.82
Less: Translation difference transferred to Foreign Currency Translation Reserve	4.60	3.31
Adjusted closing stock	940.50	969.51
Opening stock	969.51	1,240.12
Less: Stock transferred pursuant to Joint Venture	(1.69)	-
Less: Stock transferred pursuant to slump sale of Textile Business Change in inventories	(0.43)	-
	<b>26.89</b>	<b>270.61</b>
<b>2.24 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, wages, bonus, gratuity, commission, etc.	392.18	367.98
Expense on Employee stock purchase scheme (refer note 21)	2.17	1.84
Provident and other funds	25.52	24.49
Welfare	27.28	19.82
	<b>447.15</b>	<b>414.13</b>
<b>2.25 FINANCE COSTS</b>		
Interest expense	54.58	77.57
Other borrowing costs	1.87	2.16
Net loss on foreign currency transactions and translation	55.30	68.85
	<b>111.75</b>	<b>148.58</b>



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	Year ended March 31, 2015 Rs. Crores	Year ended March 31, 2014 Rs. Crores
<b>2.26 OTHER EXPENSES</b>		
Consumption of stores and spare parts	219.92	231.45
Power, fuel etc	675.19	611.46
Rent	22.47	21.53
Repairs		
Buildings	11.39	10.68
Plant and machinery	28.12	31.33
Donation	1.16	2.51
Insurance	8.17	9.13
Rates and taxes	3.42	4.08
Auditors' remuneration		
Audit fee	1.30	1.14
Tax audit	0.11	0.09
Limited reviews	0.45	0.40
Other certification services*	0.95	0.78
Out-of-pocket expenses	0.04	0.03
Directors' fees	0.15	0.12
Bad debts and advances written off	2.18	5.74
Less: adjusted against provision for doubtful debts and advances	(1.18)	(4.41)
Provision for doubtful debts and advances	3.78	8.01
Freight and transport	57.56	60.61
Commission to selling agents	4.61	6.49
Brokerage, discounts (other than trade discounts), etc.	5.50	3.08
Selling expenses	89.49	82.12
Royalty	74.97	59.98
Increase/(decrease) in excise duty on finished goods	4.54	(10.99)
Exchange fluctuation	9.60	5.74
Miscellaneous expenses	139.89	127.34
	1,363.78	1,268.44
Less:- Cost of own manufactured goods capitalised	(0.03)	(0.04)
	1,363.75	1,268.40

\* Includes service tax

## 2.27 PROVISION FOR TAX

Current tax	53.40	67.37
Less:- MAT credit entitlement	(33.61)	(17.42)
Deferred Tax	(7.99)	(19.89)
Tax adjustments related to earlier years:		
- Current tax written back	(15.85)	
- Provision for MAT credit entitlement	21.61	-
	17.56	30.06

# Consolidated Financial Statements (Continued)

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	This Year Rs. Crores	Previous Year Rs. Crores
3. (i) Contingent liabilities not provided for:		
Claims* (excluding claims by employees where amount not ascertainable) not acknowledged as debts:		
Sales tax matters	1.33	1.33
Excise matters	-	2.12
Service tax matters	31.66	-
Additional premium on land	8.11	8.11
Others	5.93	5.93
Total	47.03	17.49

\* all the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of management, have a material effect on results of operations or financial position of the Company.

(ii) Commitments:		
Capital commitments (net of advances)	60.53	20.40
Uncalled liability on partly paid shares	0.30	0.30
(iii) Guarantees given to financial institutions, banks and other parties in respect of loans availed by other parties:		
Amount guaranteed	-	1.85
Amount of loans outstanding	-	0.04

4. In accordance with past practice, the Company has taken revenue credits aggregating Rs. 123.83 Crores (2013-14 – Rs. 18.25 Crores) 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. Necessary adjustment to revenue credits so accrued will be made on issuance of notification by FICC, Government of India.

5. Provision for contingencies aggregating to Rs. 12.09 crores (2013-14 - Rs. 12.09 crores) in Note 2.6 represents the maximum possible exposure on ultimate settlement of issues relating to reconstruction arrangement of the companies.

## 6. Segment reporting

### A. Business segments :

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting" the Company's business segments include: Fertilisers (manufacturing of urea), Chloro-Vinyl (manufacturing of poly-vinyl chloride, carbide and chlor alkali products), Shriram Farm Solution (trading of di ammonia phosphate, muriate of potash, super phosphate, other fertilisers, seeds and pesticides), Cement (manufacturing of cement), Sugar (manufacturing of sugar products and co-generation of Power), Hariyali Kisaan Bazaar (Rural retail), Bioseed (production of hybrid seeds) and Others (textiles, UPVC Window Systems, plaster of paris). Sale of power from the power generation facilities set up for the business 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 business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

#### a) Segment revenue and expenses:

Joint Revenue and joint expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

#### b) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes. While most of the assets/liabilities can be directly attributed to individual segments, the carrying amounts of certain assets/liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

#### c) Inter segment sales:

Inter segment sales between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

# Consolidated Financial Statements (Continued)

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## d) Information about business segments

Rs. Crores																				
PARTICULARS	Fertiliser		Shriram Farm Solutions		Bioseed		Sugar		Hariyali Kisaan Bazaar		Chloro-Vinyl		Cement		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	This Year	Previous Year	This Year	Previous Year
1. REVENUE																				
External sales (Gross)	725.07	626.13	1416.06	1778.83	379.21	235.55	1062.23	1554.06	464.82	427.51	1360.03	1331.17	155.42	148.61	287.56	329.34			5850.40	6431.20
Other Operating Income	3.40	1.53	0.10	0.25	3.44	2.78	13.20	6.45	0.73	1.58	8.15	7.62	1.05	1.23	2.80	1.72			32.87	23.16
Inter segment sales	-	0.00	0.69	0.55	187.64	219.41	-	-	-	0.00	30.98	41.30	0.44	0.25	0.03	0.06	219.78	261.57		
Total revenue	728.47	627.66	1416.85	1779.63	570.29	457.74	1075.43	1560.51	465.55	429.09	1399.16	1380.09	156.91	150.09	290.39	331.12	219.78	261.57	5,883.27	6,454.36
2. RESULTS																				
Segment results	37.35	23.18	87.18	81.00	32.12	4.19	(68.45)	(5.36)	4.75	8.25	317.06	374.26	(5.13)	(0.33)	(3.29)	(9.17)			401.59	476.02
Unallocated expenses (net of income)																			61.48	55.00
Operating profit/(loss)	37.35	23.18	87.18	81.00	32.12	4.19	(68.45)	(5.36)	4.75	8.25	317.06	374.26	(5.13)	(0.33)	(3.29)	(9.17)			340.11	421.02
Interest expense and finance cost																			111.75	148.58
Profit before tax																			228.36	272.44
Provision for taxation																				
Current/deferred tax																			11.80	30.06
-Tax adjustments related to earlier years																			5.76	-
Net profit																			210.80	242.38
3. OTHER INFORMATION																				
A. ASSETS																				
Segment assets	529.30	478.99	573.85	611.10	682.40	588.90	1226.17	1262.41	178.23	213.62	690.61	745.85	50.32	46.93	235.44	251.40			4,166.32	4,199.20
Unallocated assets																			250.34	653.13
Total assets	529.30	478.99	573.85	611.10	682.40	588.90	1226.17	1262.41	178.23	213.62	690.61	745.85	50.32	46.93	235.44	251.40			4,416.66	4,852.33
B. LIABILITIES																				
Segment liabilities	87.51	89.18	418.84	424.74	302.44	218.90	441.26	712.12	13.04	13.46	195.60	179.95	40.71	32.50	83.77	72.05			1,583.17	1,742.90
Share capital and reserves																			1,858.54	1,686.64
Secured and unsecured loans																			760.10	1,177.64
Unallocated liabilities																			214.85	245.15
Total liabilities	87.51	89.18	418.84	424.74	302.44	218.90	441.26	712.12	13.04	13.46	195.60	179.95	40.71	32.50	83.77	72.05			4,416.66	4,852.33
C. OTHERS																				
Capital expenditure	18.90	8.96	-	-	2.54	10.60	13.26	12.60	0.14	0.56	25.84	39.00	2.12	2.49	27.30	5.86				
Depreciation	8.50	10.98	0.36	0.36	3.69	3.69	36.99	46.01	0.35	0.17	42.04	62.08	1.79	2.49	9.45	9.46				
Non cash expenses other than depreciation	-	0.02	0.04	-	4.41	3.89	-	-	-	0.16	0.14	0.40	-	-	0.19	4.87				

## 7. Disclosure in respect of assets taken on lease on or after April 1, 2001 under Accounting Standard - 19 "Leases".

### (i) General description of the 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.

### (ii) 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	0.77	1.20	0.24	0.38	0.53	0.82
Less: Future finance charges	0.03	0.20	0.02	0.09	0.01	0.11
Present value of minimum lease payments at the balance sheet date	0.74	1.00	0.22	0.29	0.52	0.71

# Consolidated Financial Statements (Continued)

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## (iii) General description of the operating lease

### - Assets Taken on Lease

- (a) The Company has entered into lease agreements for lease of offices, showrooms etc., generally for a period of 5/15 years, which can be terminated, by serving notice period as per the terms of the agreements.

	Rs. Crores	
	This year	Previous year
(b) Total of minimum lease payments	6.51	6.55
The total of minimum lease payments for a period:		
- Not later than one year	3.47	2.62
- Later than one year and not later than five years	3.04	3.93
- Later than five years	-	-
(c) Lease payment recognised in statement of profit and loss for the year*	24.60	24.30

\* Rs. 2.13 crores (2013-14 Rs. 2.77 crores) included in employee benefits expenses

### - Assets given on lease:-

- (a) The Company has entered into operating lease arrangements for buildings, plant and machinery and equipment. The details of leased assets are as under:-

	Rs. Crores					
	Gross Block		Accumulated depreciation		Depreciation for the year	
	This year	Previous year	This year	Previous year	This year	Previous year
Land and building	20.50	20.50	2.27	1.99	0.28	0.29
Plant and Machinery	0.67	0.37	0.21	0.17	0.04	0.03
Furniture and Fittings	1.22	1.22	1.05	0.95	0.10	0.10
Office equipments	0.06	0.06	0.05	0.04	0.01	-
	22.45	22.15	3.58	3.15	0.43	0.42

	Rs. Crores	
	This year	Previous year
(b) Future minimum lease payments receivables in respect of non-cancellable lease	11.46	11.76
- Not later than one year	0.40	0.40
- Later than one year and not later than five years	1.66	1.62
- Later than five years	9.40	9.74

## 8. Earnings per share

	This year	Previous year
Net Profit after tax (Rs. Crores)	210.80	242.38
Weighted average number of equity shares outstanding	162,468,409	165,852,548
Basic and diluted earnings per share in rupees (face value – Rs.2 per share)	12.97	14.61

## 9. Related party disclosures under Accounting Standard 18 "Related Party Disclosure"

### A. Name of related party and nature of related party relationship

Mr. Ajay S. Shriram, Mr. Vikram S. Shriram, Mr. Rajiv Sinha\*, Mr. Ajit S. Shriram, Mr. N.J. Singh, Mr. K.K. Kaul \*\*, Mr. Aditya A. Shriram (relative of Mr. Ajay S. Shriram), Mr. Anand A. Shriram (relative of Mr. Ajay S. Shriram), Mrs. Divya Sinha\* (relative of Mr. Rajiv Sinha), Ms. Arunima Sinha\* (relative of Mr. Rajiv Sinha), Mrs. Anuradha Bishnoi (relative of Mr. Ajay S. Shriram), M/s. Ajay S. Shriram (HUF), M/s. Vikram S. Shriram (HUF), M/s. Ajit S. Shriram (HUF).

\* (upto 31.10.2013)

\*\* (w.e.f. 02.07.2014)

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## B. Transactions with Key Managerial Persons, their relatives and HUF's.

Nature of transactions	Name	Rs. Crores	
		This Year	Previous Year
Rent Paid	M/s Ajay S. Shriram (HUF)	1.47	1.47
	M/s Vikram S. Shriram (HUF)	1.31	1.29
	M/s Ajit S. Shriram (HUF)	1.31	1.31
	Mr. Rajiv Sinha	-	0.42
	Relatives of Key management personnel	0.20	0.61
		4.29	5.10
Security deposits received back	Mr. Rajiv Sinha	-	0.21
	Relatives of Key management personnel	-	0.27
		-	0.48
Remuneration (including Commission)	Mr. Ajay S. Shriram	4.06	3.78
	Mr. Vikram S. Shriram	3.89	3.64
	Mr. Rajiv Sinha	-	2.83
	Mr. Ajit S. Shriram	3.27	3.05
	Mr. K.K. Kaul	1.20	-
	Mr. N.J. Singh	0.66	0.58
	Relatives of Key management personnel	0.45	0.16
		13.53	14.04
Balance outstanding as at the year end			
- Security deposits for premises hired		8.34	8.34
- Commission Payable		4.75	4.33

## 10. Details of Pre-operative expenses pending allocation included under Capital work in progress in Note 2.11 is as under:

Particulars	Rs. Crores	
	This Year	Previous Year
Depreciation	0.04	0.04
Miscellaneous expenses	0.35	0.38
	0.39	0.42
Add: Brought forward from the previous year	8.24	7.82
Transferred to capital work-in-progress	8.63	8.24

## 11. Research and development expenses included under relevant heads in the statement of profit and loss Rs.44.94 crores (2013-14 – Rs. 41.47 crores)

## 12. Category wise quantitative data about Derivative Instruments:

Nature of Derivative	Number of deals		Purpose		Amount in foreign currency (in Crores)		Amount in Rs. Crores	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
US Dollar Interest rate swap	3	7	Hedging	Hedging	USD 0.94	USD 3.30	59.03	198.04
Currency swap	4	8	Hedging	Hedging	USD 1.02	USD 4.38	63.81	262.62
Options	1	2	Hedging	Hedging	USD 0.50	USD 1.00	31.25	59.91

Foreign Currency exposures that are not hedged by derivative instruments or otherwise is as follows:

Particulars	This year		Previous Year	
	Amount in foreign currency (in Crores)	Amount in Rs. Crores	Amount in foreign currency (in Crores)	Amount in Rs. Crores
Loans	-	-	USD 0.01	0.40
Current liabilities	USD 0.01	0.47	USD 0.03	1.97
	EUR 0.004	0.25	EUR 0.005	0.43
	JPY 0.02	0.01	JPY 0.50	0.29
	GBP 0.0001	0.01	-	-
Current Assets	USD 0.005	0.31	USD 0.006	0.37

# Consolidated Financial Statements (Continued)

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## 13. Secured loan

<b>a.</b>	<b>Short term working capital borrowings from banks:</b>	
<b>(i)</b>	<b>Company</b>	
1.	Loans from banks on cash credit account of Rs. 101.27 Crores (2013-14 – Rs. 98.80 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.	
2.	Short Term Loans of Rs. 196.53 Crores (2013-14 - Rs. 227.09 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), and 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.	
<b>(ii)</b>	<b>Subsidiaries</b>	
1.	<b>Bioseed Vietnam Limited</b>	
	Loans from banks on cash credit account of Rs. Nil (2013-14 – Rs. 13.57 Crores) are secured by way of mortgage/ hypothecation of all the immovable/ movable properties.	
<b>b.</b>	<b>Long term loans from banks:</b>	
	<b>Nature of Security</b>	<b>Terms of Repayment</b>
<b>(i)</b>	<b>Company</b>	
1.	Term loan of Rs. Nil (2013-14 – Rs. 74.89 Crores) is secured by way of first pari passu mortgage/ charge created on immovable/movable fixed assets, both present and future, of the Company's undertakings at Jhagadia, Distt Bharuch, Gujarat (Rs. Nil due within 1 year; 2013-14 - Rs. 20.96 Crores)	-
2.	Term Loan of Rs. 31.25 Crores (2013-14 -Rs. 59.91 Crores) is secured by way of first pari -passu mortgage/charge created on immovable /movable fixed assets, both present and future, of the company's undertaking at Loni Sugar Complex, Uttar Pradesh & Rs. 10.42 Crores (2013-14- Rs. 19.97 Crores) is secured by way of first charge created on movable fixed assets, both present and future, of the company's undertaking at Rupapur Sugar Complex, Uttar Pradesh (Rs. 41.67 Crores due within 1 year; 2013-14- Rs. 39.94 Crores )	- Rs.41.67 Crores repayable in 2 equal Semi- Annual installments
3.	Term Loan of Rs. Nil (2013-14 - Rs 0.01Crores) is secured by way of equitable mortgage of Land/ Building, both present and future, of SBM unit of the Company at Tonk, Rajasthan (Rs. Nil due within 1 year; 2013-14-Rs. 0.01 Crores)	-
4.	Term Loans of Rs. Nil (2013-14 -Rs. 89.87 Crores) & Rs. Nil (2013-14 -Rs. 29.95 Crores) are secured by way of first pari -passu mortgage/charge created on immovable /movable fixed assets, both present and future, of the company's undertaking at Ajbapur Sugar Complex, Uttar Pradesh and Loni Sugar Complex, Uttar Pradesh respectively (Rs. Nil due within 1 year; 2013-14- Rs. 5.99 Crores)	-
5.	Term loan of Rs. 96.86 Crores (2013-14 – Rs. 96.86 Crores) is secured by way of second pari passu charge created on all the current assets, both present and future, of the Company (except Shriram Bioseed Genetics, Hyderabad & Bioseed Research India, Hyderabad) and by way of third pari passu mortgage /charge created on immovable/movable fixed assets, both present and future, of sugar units of the Company located at Ajbapur, Rupapur, Hariawan and Loni. (Rs. NIL due within 1 year; 2013-14- Rs. Nil)	-Rs. 96.86 Crores repayable in 36 Equal monthly Installments starting from April 2016.
<b>c.</b>	<b>Long term loan from others:</b>	
<b>(i)</b>	<b>Company</b>	
1.	Term loan of Rs. 192.31 Crores (2013-14- Rs. 230.42 Crores) is secured by way of first pari passu mortgage/charge created on immovable and movable assets (excluding current assets), both present and future and a second charge ranking pari passu on the current assets, both present and future, of the Company's undertakings at Kota, Rajasthan and Jhagadia, Distt Bharuch in equal proportion (Rs. 48.08 Crores due within 1 year; 2013-14-Rs. 46.08 Crores)	Rs. 192.31 Crores repayable in 8 equal Semi-Annual Installments
2.	Term loan of Rs. 12.50 Crores (2013-14- Rs 35.95 Crores) is secured by way of first pari passu mortgage/charge created on immovable and movable assets (excluding current assets), both present and future and a second charge ranking pari passu on the current assets, both present and future, of the Company's undertakings at Kota, Rajasthan (Rs. 12.50 Crores due within 1 year; 2013-14-Rs. 23.96 Crores)	-Rs.12.50 Crores repayable in 1 Semi-Annual Installment
3.	Term loan of Rs. 21.30 Crores (2013-14- Rs. 26.64 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts), both present and future, pertaining to the Company's Ajbapur Sugar Complex, Uttar Pradesh (Rs. 5.33 Crores due within 1 year; 2013-14-Rs. 5.33 Crores)	-Rs. 21.31 Crores repayable in 4 Equal Annual Installments



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	Nature of Security	Terms of Repayment
4.	Term loan of Rs. 8.25 Crores (2013-14– Rs. 13.18 Crores ) is secured by way of first pari passu mortgage/charge created on immovable/movable assets (excluding current 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 Hariawan Sugar Complex, Uttar Pradesh (Rs. 5.49 Crores due within 1 year; 2013-14-Rs. 5.27 Crores)	-Rs. 8.25 Crores repayable in 3 Equal Semi-Annual Installments
5.	Term loan of Rs. 6.56 Crores (2013-14– Rs. 9.84 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts), both present and future, pertaining to the Company's Hariawan Sugar Complex, Uttar Pradesh (Rs. 3.28 Crores due within 1 year; 2013-14-Rs. 3.28 Crores)	-Rs. 6.56 Crores repayable in 8 Quarterly Installments
6.	Term loan of Rs. 14.24 Crores (2013-14– Rs. 14.24 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; 2013-14-Rs. Nil)	-Rs. 14.24 Crores repayable in 5 Annual Equal Installments starting from December 2016
7.	Term Loan of Rs. 9.68 Crores (2013-14- Rs. 10.75 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts) both present and future, pertaining to the Company's Loni Sugar Complex, Uttar Pradesh (Rs. 2.15 Crores due within 1 year; 2013-14-Rs. 1.08 Crores)	-Rs. 9.68 Crores repayable in 9 Equal Semi- Annual Installments
8.	Term loan of Rs. 2.53 Crores (2013-14- Rs. 2.80 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. 0.29 Crores due within 1 year; 2013-14 – Rs. 0.29 Crores)	- Rs. 0.17 Crores repayable in 6 equal installments - Rs. 1.80 Crores repayable in 7 equal annual installments - Rs. 0.56 Crores repayable in 10 equal installments commencing after completion of project.
(ii)	<b>Subsidiaries</b>	
1.	<b>Shri Ganpati Fertilizers Limited</b>	
	Loan of Rs. 0.16 Crore (2013-14 – Rs. 0.16 Crore) from a bank is secured by hypothecation of assets purchased (Rs. 0.16 crores due within 1 year; 2013-14- Rs. 0.16 crore)	Rs. 0.16 crores repayable in 12 monthly instalments

14. Deposits received under Section 76 of the Companies Act, 2013 are repayable upto March 2018 based on the maturity dates (Rs. 0.57 crores due within 1 year; 2013-14 – 5.48 crores).
15. During the financial year 2014-15, the Company has incurred Rs 3.19 crores towards corporate social responsibility under section 135 of the Companies Act 2013.
16. With effect from April 1, 2014, depreciation on fixed assets is computed in accordance with Schedule II of the Companies Act 2013. Consequent thereto, depreciation charge for the year is lower by Rs. 18.21 crores and depreciation amounting to Rs. 11.08 crores (net of deferred tax of Rs 5.63 crores) has been adjusted from the opening balance of retained earnings.
17. The Company has sold its textile spinning unit at Tonk, Rajasthan as a going concern, on slump sale basis for a lump sum consideration of Rs. 17.13 crores w.e.f. June 24, 2014. Consequent to the above, Rs 0.24 crores representing the excess of sales consideration over the net assets transferred has been shown as 'other income' in note 2.22.
18. 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	18.48	17.88
- Employers' contribution to superannuation fund	7.04	6.61
- Employers' contribution to employees' state insurance corporation	0.26	0.41

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

## ii) Defined benefit plans

- Gratuity
- Compensated absences – Earned leave/ sick leave

In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined benefit plans and details of the same are given below:-

	Rs. Crores					
	Gratuity (Partially funded)		Compensated absences			
			Earned leave (Unfunded)		Sick leave (Unfunded)	
	This year	Previous year	This year	Previous year	This year	Previous year
Discount rate (per annum)	7%-8%	8%	7%-8%	8%	7%-8%	8%
Future salary increase	7%	7%	7%	7%	7%	7%
Expected rate of return on plan assets	8.75%	9%	-	-	-	-
In service mortality	*	*	*	*	*	*
Retirement age	58/60 years	58/60 years	58/60 years	58/60 years	58/60 years	58/60 years
Withdrawal rates:						
- upto 30 years	3%	3%	3%	3%	3%	3%
- upto 44 years	2%	2%	2%	2%	2%	2%
- above 44 years	1%	1%	1%	1%	1%	1%
<b>I. Expense recognised in statement profit and loss</b>						
Current service cost	6.17	5.06	4.37	3.79	2.42	1.83
Interest cost	7.01	6.23	2.63	2.65	1.72	1.72
Expected return on plan assets	(0.16)	(0.10)	-	-	-	-
Net actuarial(gain) / loss recognised in the year	2.89	3.60	2.52	1.97	(1.95)	(1.28)
Past service cost	-	-	-	-	-	-
<b>Total expense</b>	<b>15.91</b>	<b>14.79</b>	<b>9.52</b>	<b>8.41</b>	<b>2.19</b>	<b>2.27</b>
<b>II. Net asset/(liability) recognised in the balance sheet</b>						
Present value of Defined benefit obligation	94.22	85.59	40.35	35.19	23.68	21.80
Fair value of plan assets	2.06	1.84	-	-	-	-
Funded status surplus/(deficit)	(92.16)	(83.75)	(40.35)	(35.19)	(23.68)	(21.80)
<b>Net asset/(liability)</b>	<b>(92.16)</b>	<b>(83.75)</b>	<b>(40.35)</b>	<b>(35.19)</b>	<b>(23.68)</b>	<b>(21.80)</b>
Non-current liability	(77.56)	(69.69)	(35.15)	(31.89)	(17.60)	(16.64)
Current liability	(14.60)	(14.06)	(5.20)	(3.30)	(6.08)	(5.16)
<b>III. Change in the present value of obligation during the year</b>						
Present value of obligation as at the beginning of the year	85.59	76.81	35.19	31.44	21.80	19.53
Interest cost	7.01	6.23	2.63	2.65	1.72	1.72
Current service cost	6.17	5.06	4.37	3.79	2.42	1.83
Benefits paid	(5.77)	(6.16)	(3.70)	(4.66)	-	-
Actuarial (gains) / losses on obligation	2.90	3.65	2.52	1.97	(1.95)	(1.28)
Transfer of Textile unit pursuant to slump sale	(0.74)	-	(0.21)	-	(0.08)	-
Adjustment related to joint Venture	(0.94)	-	(0.45)	-	(0.23)	-
<b>Present value of obligation as at the end of the year</b>	<b>94.22</b>	<b>85.59</b>	<b>40.35</b>	<b>35.19</b>	<b>23.68</b>	<b>21.80</b>
<b>IV. Change in fair value of assets during the year</b>						
Fair value of plan assets at the beginning of the year	1.84	1.43	-	-	-	-
Expected return on plan assets	0.16	0.10	-	-	-	-
Employer Contribution	0.28	0.28	-	-	-	-
Actual benefits paid	(0.23)	(0.02)	-	-	-	-
Actuarial (gains) / losses on planned assets	0.01	0.05	-	-	-	-
Fair value of plan assets at the end of the year	2.06	1.84	-	-	-	-
<b>Actual return on plan assets</b>	<b>0.17</b>	<b>0.15</b>				
Note:						
(i) The plan assets are maintained with LIC of India Gratuity Scheme. The details of investment maintained by LIC are not available and have therefore not been disclosed.						
(ii) The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.						

\*IALM (2006-08) duly modified

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

Disclosure relating to present value of defined benefit obligation and fair value of plan assets and net actuarial loss:-

Particulars	2014-15			2013-14			2012-13			2011-12			2010-11		
	Gratuity (partially funded)	Earned leave	Sick leave	Gratuity (partially funded)	Earned leave	Sick leave	Gratuity (partially funded)	Earned leave	Sick leave	Gratuity (partially funded)	Earned leave	Sick leave	Gratuity (partially funded)	Earned leave	Sick leave
Present value of obligation as at the end of the year	94.22	40.35	23.68	85.59	35.19	21.80	76.81	31.44	19.53	69.58	28.39	17.77	62.36	25.44	15.92
Fair value of plan assets at the end of the year	2.06	-	-	1.84	-	-	1.43	-	-	0.95	-	-	0.78	-	-
Surplus / (Defecit) in plan assets	(92.16)	(40.35)	(23.68)	(83.75)	(35.19)	(21.80)	(75.38)	(31.44)	(19.53)	(68.63)	(28.39)	(17.77)	(61.58)	(25.44)	(15.92)
Experience adjustment on plan assets { Gain / (loss) }	0.01	-	-	0.05	-	-	-	-	-	-	-	-	-	-	-
Experience adjustment on plan liabilities { Gain / (loss) }	2.90	2.52	(1.95)	3.65	1.97	(1.28)	2.82	(1.30)	(1.30)	3.44	1.79	(1.13)	4.69	2.34	(0.57)

19. During the year, Axiall LLC, USA acquired 50% stake in Shriram Axiall Private Limited (Formerly, Shriram Vinyl Polytech Private Limited, a 100% subsidiary of the Company) in pursuance of the Joint Venture Agreement entered amongst the Company, Shriram Axiall Private Limited and Axiall LLC, USA.

The proportionate share (i.e. 50%) of assets and liabilities as at March 31, 2015 and income and expenses for the year ended March 31, 2015 of Shriram Axiall Private Limited as per its audited financial statements are given below:

Particulars	Rs. Crores As at March 31, 2015
<b>Liabilities:</b>	
<b>Non-current liabilities:</b>	
- Long-term provisions	1.69
<b>Current liabilities</b>	
- Short-term borrowings	9.42
- Trade payables	8.74
- Other current liabilities	0.65
- Short-term provisions	0.27
<b>Total</b>	<b>20.77</b>
<b>Assets:</b>	
<b>Non-current assets</b>	
- Fixed assets (including capital work in progress)	8.33
- Long-term loans and advances	0.10
- Deferred tax assets	0.48
<b>Current assets</b>	
- Inventories	11.20
- Trade receivables	15.55
- Cash and bank balances	2.02
- Short-term loans and advances	2.50
<b>Total</b>	<b>40.18</b>

Particulars	Rs. Crores For the year ended March 31, 2015
Sale of Products	64.59
Other income	0.21
<b>Total Revenue</b>	<b>64.80</b>
<b>Expenses</b>	
- Cost of materials consumed	38.23
- Purchase of stock in trade	19.84
- Change in inventory of finished goods, work-in-progress and stock in trade	(3.76)
- Employee benefits expense	3.81
- Finance costs	0.31
- Depreciation and amortization cost	1.02
- Other expenses	5.71
<b>Total Expenses</b>	<b>65.16</b>
<b>Tax Expense</b>	<b>(0.12)</b>
<b>Capital commitments</b>	<b>0.18</b>

20. 'Excise duty' on sales has been deducted from gross sales on the face of statement of profit and loss. 'Increase/ (decrease) in excise duty on finished goods' has been shown under the head 'Other expenses' in note 2.26.

**21. Employee share based payments**

The Company has an Employees Stock Purchase Scheme ('Scheme') 2010, which is administered through DSCL Employees Benefits Trust based on acquisition of shares from the market to provide equity based incentives to employees. Under the Scheme, the Company has granted shares to employees with specified lock in period. The expenses on the Scheme is accounted for at intrinsic value i.e. excess of market price on the date of grant over the exercise price of the shares granted and is amortized on a straight line basis over the lock-in period, if any.

**22. 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 (before adjustments of intra-group transactions/balances):**

Particulars	Net Assets		Share in Profit /(loss)	
	As % of consolidated net assets	Amount (Rs. Crores)	As % of consolidated profit /(loss)	Amount (Rs. Crores)
<b>A. Parent</b>				
DCM Shriram Limited	99.92%	1857.06	114.77%	241.93
<b>B. Subsidiaries</b>				
<b>Indian</b>				
DCM Shriram Credit and Investments Limited	0.14%	2.52	(0.03%)	(0.07)
Bioseed India Limited	-	0.01	-	-
DCM Shriram Infrastructure Limited	(0.05%)	(0.99)	(0.03%)	(0.07)
Fenesta India Limited	0.01%	0.16	0.02%	0.03
Hariyali Services Ltd. (formerly Hariyali Insurance Broking Limited)	-	(0.09)	-	-
Shri Ganpati Fertilizers Limited	(1.20%)	(22.39)	(2.31%)	(4.86)
Hariyali Rural Ventures Limited	0.09%	1.74	0.67%	1.41
DCM Shriram Aqua Foods Limited	0.17%	3.14	0.03%	0.06
Shriram Bioseed Ventures Limited	1.27%	23.70	0.98%	2.06
<b>Foreign</b>				
Bioseeds Limited	3.11%	57.89	1.04%	2.20
Bioseed Holdings PTE Limited	0.51%	9.40	(0.24%)	(0.50)
Bioseed Research Philippines Inc.	(0.50%)	(9.24)	(9.06%)	(19.10)
Bioseed Vietnam Limited	(0.63%)	(11.63)	(3.29%)	(6.93)
PT Shriram Seed Indonesia	(0.47%)	(8.77)	(1.70%)	(3.58)
PT. Shriram Genetics Indonesia	(0.12%)	(2.25)	(1.55%)	(3.27)
Shriram Bioseed (Thailand) Limited	(1.11%)	(20.71)	(0.82%)	(1.73)
Shriram Bioseeds Limited	4.01%	74.48	0.12%	0.25
Bioseed Research USA Inc.	0.01%	0.10	(0.01%)	(0.02)
<b>Minority Interest</b>	-	(0.96)	-	-
<b>C. Joint Venture (Indian)</b>				
Shriram Axiall Private Limited (formerly Shriram Vinyl Polytech Private Limited)	1.04%	19.40	(0.11%)	(0.24)

**23. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.**

**24. Notes 1 to 24 form an integral part of the financial statement.**

Signatures to Notes 1 to 24

SAMEET GAMBHIR  
Company Secretary

J.K. JAIN  
Chief Financial Officer

S.S. BAIJAL  
Director  
DIN: 00027961

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

New Delhi  
May 1, 2015

# 13

## Notice

Registered Office:  
5<sup>th</sup> Floor, Kanchenjunga Building,  
18, Barakhamba Road, New Delhi.  
Tel : 011-23316801, Fax : 011-23318072  
CIN No. : L74899DL1989PLC034923  
E-mail : response@dcmsshriram.com  
Website : www.dcmsshriram.com

Notice is hereby given that the Twenty Sixth Annual General Meeting of DCM Shriram Limited (formerly DCM Shriram Consolidated Ltd.) will be held on Tuesday, the 18<sup>th</sup> August, 2015 at 10.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi to transact the following businesses:

### Ordinary Business:

1. To consider and adopt:
  - (a) the audited financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2015, the report of the Board of Directors and Auditors thereon; and
  - (b) the audited consolidated financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2015.
2. To appoint a Director in the place of Shri Ajit S. Shriram (DIN 00027918), who retires by rotation and being eligible offers himself for re-appointment.
3. To declare final dividend and to note the payment of interim dividend on Equity Shares for the financial year 2014-15.
4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
"Resolved that M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No. 015125N), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors or a Committee thereof or its other delegate."

### Special Business:

5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
"Resolved that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s) or any amendment thereof for the time being in force and Clause 49 of the Listing Agreement entered into with the Stock Exchanges, Smt. Ramni Nirula (DIN No. 00015330), who was appointed an Additional Director of the Company by the Board w.e.f. 3.2.2015, be and is hereby appointed a Director of the Company.  
Resolved further that pursuant to Section 149 & other applicable provisions of the Companies Act, 2013, the appointment of Smt. Ramni Nirula an Independent Director for 5 (Five) consecutive years w.e.f. 3.2.2015, be and is hereby approved."
6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
"Resolved that pursuant to the provisions of Section 148 and 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 thereof, for the time being in force), the remuneration payable to the cost auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2016, 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 is hereby authorized to do all such acts, deeds, things as may be required in connection therewith as they may deem appropriate."
7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:  
"Resolved that subject to such consents and permissions, as may be necessary, approval of the Company be and is hereby accorded in terms of Sections 196 & 197 of the Companies Act, 2013 read with Schedule V thereto and Rules 3 & 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification or re-enactment thereof, to the re-appointment of Shri Ajit S. Shriram (DIN 00027918), Joint Managing Director on the terms and conditions including the remuneration as set out hereunder:

### Terms & Conditions of appointment

1. **Tenure**  
Five years w.e.f. 2.5.2016
2. **Remuneration**
  - (a) **Salary**  
Rs. 8.50 lacs per month presently. Increments will be as decided by the Board and/or Committee thereof from time to time.
  - (b) **Perquisites**  
Perquisites (evaluated as per Income Tax Rules, wherever applicable) like the benefit of the Company's furnished accommodation, gas, electricity, water and furnishings, club fees, personal accident insurance, use of car and telephone at residence, medical reimbursement, leave and leave travel concession, education benefits, 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, for the aforesaid 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 the remuneration paid to all the Managing/Whole Time Directors shall not exceed the limit laid down under Sections 197 & 198 of the Companies Act, 2013.
  - (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 Joint Managing Director as the minimum remuneration, subject to necessary approvals, if any.
3. **Functions**  
Subject to the direction, control and superintendence of Chairman & Senior Managing Director and Vice Chairman & Managing Director, he shall have the overall responsibility for looking after the day-to-day business and affairs concerning the Sugar business, Corporate Finance & Accounts and Internal Audit Functions of the Company.

**4. Sitting Fee**

If permissible by law, he 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 Shri Ajit S. Shriram may be terminated by either party giving to the other six calendar months' notice in writing. In the event of termination of this appointment of Shri Ajit S. Shriram by the Company, he shall be entitled to receive compensation in accordance with the provisions of the Companies Act, 2013 and rules made thereunder or any statutory amendment or re-enactment thereof.

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 as to change in designation, vary or increase the salary notwithstanding the same shall exceed the overall remuneration set out above or as may be prescribed/permissible provided however that the same is within the limits laid down in the Schedule V of the Companies Act, 2013 and Rules framed under the Act including any modification thereto 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."

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

"Resolved that consent of the Company be and is hereby accorded to the Board of Directors to invite and accept unsecured deposits from time to time from Members/Employees and Public as per the scheme approved by the Board of Directors of the Company pursuant to Sections 73, 76 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder.

Resolved further that the Board of Directors be and is hereby authorized to delegate all or any of their powers under this Resolution and to take all necessary actions, which are incidental or consequential thereto, to give effect to the said Resolution."

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

"Resolved that pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any Statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby consents for the revision in the maximum limit of remuneration of Shri Aditya A. Shriram, Sr. Vice President, a relative of Chairman and Senior Managing Director of the Company, to Rs.12.00 lacs per month with perks/facilities/incentives and retiral benefits as applicable to officers in his cadre with authority to the Board of Directors or a Committee thereof to fix and revise his remuneration from time to time to promote him to a higher grade/grades 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 is hereby authorised to take all necessary steps and actions, which are incidental and consequential to give effect to the above Resolution."

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

"Resolved that pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any Statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby consents for the revision in the maximum limit of remuneration of Shri Anand A. Shriram, General Manager, a relative of Chairman and Senior Managing Director of the Company up to Rs. 7.50 lacs per month with perks/facilities/incentives and retiral benefits as applicable to officers in his cadre with authority to the Board of Directors or a Committee thereof to fix and revise his remuneration from time to time, to promote him to a higher grade/grades 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."

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

"Resolved that pursuant to Section 94 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, consent of the Company be and is hereby accorded for maintaining the statutory records viz. Register of Members & Debenture holders, Index of Members & Debenture holders, Register of Share Transfers & Debentures and copies of the Annual Returns etc. with M/s. MCS Share Transfer Agent Limited at F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase – I, New Delhi – 110 020, the Registrar and Share Transfer Agents of the Company".

By Order of the Board

New Delhi  
1<sup>st</sup> May, 2015

SAMEET GAMBHIR  
Company Secretary  
FCS : 4658

**Notes:**

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. A Proxy Form is sent herewith.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The Share Transfer Books and the Register of Members of the Company will remain closed from 24.7.2015 to 30.7.2015 (both days inclusive).



4. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment.
5. In terms of 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 dematerialise their shareholding to avoid inconvenience in trading in the shares in the Company.
6. Shareholders holding shares in Physical form, are requested to intimate their change in address/Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to M/s. MCS Share Transfer Agent Ltd. (earlier MCS Ltd.), the Registrar and Share Transfer Agent (RTA), F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110 020 along with a cancelled cheque and proof of change of address, as applicable. Beneficial owners holding shares in electronic form are requested to intimate their change in address/Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP) in order to get the same registered.
7. Members who are holding shares in physical form in identical names 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.
8. In terms of SEBI Circular dated 20<sup>th</sup> May, 2009 and 7<sup>th</sup> January, 2010, any request pertaining to (i) transfer of physical shares (ii) Deletion of name of the deceased shareholder(s) where the shares are held in the name of two or more shareholders (iii) Transmission of shares to the legal heir(s)/representative(s), where deceased shareholder was the sole holder of shares (iv) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders shall be accompanied with a self-attested copy of their Income Tax PAN Card along with the other documents to the RTA irrespective of the value of the transaction.
9. Pursuant to Sections 205A and 205B of the Companies Act, 1956, the dividends upto the financial year 1994-95 which remained unpaid/unclaimed had been transferred to the General Revenue Account of the Central Government which can be claimed from it. Pursuant to the amended provisions of Sections 205A, 205B and 205C of the Companies Act, 1956, the Company has transferred the unpaid interim dividend for the financial year 2007-08 to Investor Education and Protection Fund (the Fund) for which no claim shall lie against the Company or the Fund. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 12.8.2014 (date of last Annual General Meeting) on the website of the Company ([www.dcmshriram.com](http://www.dcmshriram.com)), as also on the website of the Ministry of Corporate Affairs. Members of the Company who have not yet encashed their final dividend warrant(s) for the financial year ended 31.3.2008 and thereafter may write to the Company immediately.
10. In terms of Section 72 of the Companies Act, 2013, a Member of the Company may nominate a person on 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 depository participant, if held in electronic form.
11. Members are requested to register/update their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.
12. Appointment of Directors

The information, as required under the Listing Agreement, in relation to the appointment/re-appointment of Directors is as under:

Name of the Director	Shri Ajit S. Shriram	Smt. Ramni Nirula
Date of Birth	3.10.1967	27.5.1952
Nationality	Indian	Indian
Date of Appointment on the Board of the Company	2.5.2001	3.2.2015
Qualification	B.Com., MBA	B.A. (Eco.), MBA
Expertise in Functional Area	General Management, Finance, Strategy, Agri Business and Sugar Industry	Project Financing, Strategy, Planning & Resources and Corporate Banking.
Directorships held in other Companies	<ul style="list-style-type: none"> <li>- DCM Shriram Credit and Investments Ltd.</li> <li>- DCM Shriram Infrastructure Ltd.</li> <li>- Shriram Bioseed Ventures Ltd.</li> <li>- DCM Shriram Foundation</li> <li>- Hariyali Rural Ventures Ltd.</li> <li>- Fenesta India Ltd.</li> <li>- Shridhar Shriram Foundation</li> <li>- Indian Sugar Exim Corporation Ltd.</li> <li>- SRCC Development Foundation</li> <li>- Hariyali Kisaan Bazaar Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>- Jubilant Food Works Ltd.</li> <li>- Usha Martin Ltd.</li> <li>- P.I. Industries Ltd.</li> <li>- McLeod Russel India Ltd.</li> <li>- Sona Koyo Steering Systems Ltd.</li> <li>- Avantha Ergo Life Insurance Company Ltd.</li> <li>- Eveready Industries India Ltd.</li> <li>- Avantha Holdings Ltd.</li> <li>- Viom Networks Ltd.</li> <li>- DRN Investments and Agriculture Pvt. Ltd.</li> <li>- TAMA Investment and Finance Pvt. Ltd.</li> <li>- Utkarsh Micro Finance Pvt. Ltd.</li> <li>- Goldman Sachs Trustee Co. (I) Pvt. Ltd.</li> </ul>
Chairman/Member of the Committee(s) of the Board of Directors of the Company	<u>Member</u> Corporate Social Responsibility Committee	-

Name of the Director	Shri Ajit S. Shriram	Smt. Ramni Nirula
Chairman/Member of the Committee(s) of the Board of Directors of other Companies in which he/she is a Director	<u>Member</u> <u>Nomination, Remuneration and Compensation Committee</u> - Shriram Bioseed Ventures Ltd. <u>Board Audit Committee</u> - Shriram Bioseed Ventures Ltd.	<u>Chairperson</u> <u>Stakeholder Relationship Committee</u> - Jubilant Food Works Ltd. - P.I. Industries Ltd. <u>Audit Committee</u> - Avantha Ergo Life Insurance Company Ltd. - Avantha Holdings Ltd. <u>Member</u> <u>Audit Committee</u> - Jubilant Food Works Ltd. - Utkarsh Micro Finance Pvt. Ltd. - Goldman Sachs Trustee Company (I) Pvt. Ltd. - Sona Koyo Steering Systems Ltd. - Eveready Industries India Ltd. - Viom Networks Ltd.
Number of shares held in the Company	5,95,580	-

13. Corporate Members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
14. In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
15. Relevant documents referred to in the accompanying the Annual General Meeting Notice and Explanatory Statement are open for inspection by the Members at the Registered Office of the Company on all working days, during 11.00 A.M. to 1.00 P.M. upto the date of the Meeting.
16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested under Section 189 will be made available for inspection by Members of the Company at the venue of the meeting.
17. As per Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, a certificate from the auditors of the Company has been obtained regarding the implementation of the DCM Shriram Employee Stock Purchase Scheme in accordance with these regulations. The same shall be made available for inspection by Members of the Company at the venue of the meeting.
18. **Voting through electronic means**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide Members a facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through such voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). E-Voting is optional. Please read carefully the following instructions/ procedures on E-Voting.
  - II. The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend and participate the AGM but shall not be entitled to cast their vote again.
  - IV. Shri Sanjay Grover (FCS 4223), Company Secretary in Practice, has been appointed as Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  - V. The remote e-voting period commences on 15.8.2015 (9.00 A.M.) and ends on 17.8.2015 (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 of 11.8.2015, may cast their vote by remote e-voting. The 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.
  - VI. The manner and process of remote e-Voting are as under:
    - A. In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participants(s)] :
      - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
      - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
      - (iii) Click on Shareholder - Login
      - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
      - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
      - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
      - (vii) Select "EVEN" (E-Voting Event Number) of "DCM Shriram Limited".
      - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
      - (ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

- (x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (xi) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xii) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [sanjaygrover7@gmail.com](mailto:sanjaygrover7@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s)] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

<u>EVEN (Remote e-voting Event Number)</u>	<u>USER ID</u>	<u>PASSWORD/PIN</u>

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) of 'A' above, to cast vote.
- VII. In case of any queries, 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.
- VIII. 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.
- IX. 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).
- X. 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 of 11.8.2015.
- XI. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 11.8.2015, 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.
- XII. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password 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.
- XIII. 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 voting at the AGM through ballot paper.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of 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.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.dcmshriram.com](http://www.dcmshriram.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai & National Stock Exchange of India Ltd., Mumbai.

### **EXPLANATORY STATEMENT**

(Pursuant to Section 102 of the Companies Act, 2013)

#### **ITEM NO. 5**

Smt. Ramni Nirula, was appointed by the Board an Additional Director as Independent Director w.e.f. 3.2.2015 for a period of 5 years, subject to the approval of Members.

She 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.

The Company has also received declaration from Smt. Nirula that she meets the criteria of independence as prescribed under Section 149(6) of the Act and Clause 49 of the Listing Agreement. In the opinion of the Board, Smt. Nirula fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement.

As required under Section 160 of the Companies Act, 2013 and Rules made thereunder, a notice has been received from a Member signifying his intention to propose Smt. Ramni Nirula as a Director along with a deposit of Rs.1 lac.

Copy of the terms and conditions of appointment of Smt. Nirula an Independent Director, is available for inspection without any fee by the Members at the Registered Office of the Company during 11.00 A.M. to 1.00 P.M.

Except, Smt. Ramni Nirula and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Ordinary Resolution as set out at Item No.5 of the Notice for approval by the Members.

#### **ITEM NO.6**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 as per the following details:

M/s. Bahadur Murao & Co., Cost Accountants, New Delhi and M/s. J.P. Sarda & Associates, Cost Accountants, Kota were appointed as Cost Auditors for the financial year 2015-16, to audit the cost accounting records for its products for a total remuneration upto Rs. 3.75 lacs.

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 to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, confirmation of the Members is sought for passing an Ordinary Resolution as set out at Item No.6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

#### **ITEM NO. 7**

The Members in their Annual General Meeting held on 30.8.2011 had approved the re-appointment of Shri Ajit S. Shriram for a period of 5 years w.e.f. 2.5.2011. His existing term expires on 1.5.2016.

The Board of Directors in its meeting held on 1.5.2015 has approved his re-appointment for a further period of 5 years w.e.f. 2.5.2016, subject to the approval of Members.

Shri Ajit S. Shriram 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, Shri Ajit S. Shriram himself, Shri Ajay S. Shriram and Shri Vikram S. Shriram, being related to Shri Ajit S. Shriram, their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Special Resolution as set out at Item No.7 of the Notice for approval by the Members.

#### **ITEM NO.8**

Pursuant to Sections 73 and 76 of the Companies Act, 2013 and the Rules framed thereunder, the approval of Members is sought to invite and accept deposits from Members/Employees & Public.

None of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Special Resolution as set out at Item No.8 of the Notice for approval by the Members.

#### **ITEM NO. 9**

The Members in their Meeting held on 14.8.2012 had approved the revision in the maximum limit of remuneration to Shri Aditya A. Shriram upto Rs.7.5 lacs per month.

Shri Aditya A. Shriram, presently working as Sr. Vice President in Chemical Business of the Company, joined the Organisation in 2006. He has successfully handled a variety of responsibilities, roles and functions across various businesses, including Cement and Shriram Farm Solutions. One of his significant stints was when he led the Crop Care and Seeds business at Shriram Farm Solutions. In 2012 he joined the prestigious MBA program at the London Business School, to get a global perspective of Business, Management and Organisation. After successfully completing the program in 2014, he returned to take on new responsibilities. He has now taken on a senior leadership role in the Chemicals business.

His primary responsibility here includes providing impetus to the growth and strengthening of the business, alongwith supporting and guiding the team in the achievement of the operational and strategic plans of the business in close coordination with the Business Head. A key strategic priority for him is the successful execution and implementation of the chlor alkali and power expansion projects at Bharuch.

The revision in his remuneration, requires approval of the Members, pursuant to Section 188 of the Companies Act, 2013.

Except, Shri Ajay S. Shriram, relative of Shri Aditya A. Shriram, his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Special Resolution as set out at Item No. 9 of the Notice for approval by the Members.

#### **ITEM NO. 10**

The Members in their Meeting held on 14.8.2012 had approved the revision in the maximum limit of remuneration to Shri Anand A. Shriram upto Rs.2.5 lacs per month.

Shri Anand A. Shriram, presently working as General Manager in Fenesta Business of the Company, joined the Organisation in 2010. 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 year stint at Kota.

Since 2012, Shri Anand A. Shriram has been associated with the Fenesta business and has handled varied roles and responsibilities since then. He joined the National Retail Business Development team and was responsible for business development and channel expansion pan India. After a successful stint, he moved to the NCR Sales team and was responsible for Retail Sales. Since November 2014, he is with the NCR Installation and Service team looking after the survey, installation and after sales service of the Gurgaon region.

The revision in his remuneration requires approval of the Members, pursuant to Section 188 of the Companies Act, 2013.

Except, Shri Ajay S. Shriram, relative of Shri Anand A. Shriram, his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Special Resolution as set out at Item No. 10 of the Notice for approval by the Members.

#### **ITEM NO. 11**

The Board of Directors in their meeting held on 3.2.2015 had approved the appointment of M/s. MCS Share Transfer Agent Ltd. as the Registrar and Transfer Agent for securities of the Company (both in physical and demat form).

Under Section 94 of the Companies Act, 2013, approval of the Members is required to keep statutory records at a place other than Registered Office of the Company.

None of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Special Resolution as set out at Item No.11 of the Notice for approval by the Members.



