ANNUAL REPORT 2011-12

DSCL

DCM SHRIRAM CONSOLIDATED LTD

DCM SHRIRAM CONSOLIDATED LIMITED

Contents

Corporate Information

Registered Office

DCM Shriram Consolidated Limited
5th Floor, Kanchenjunga Building,
18, Barakhamba Road,
New Delhi - 110 001.
Tel. No. : (91) 11-23316801
Fax No. : (91) 11-23318072

Bankers

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

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 Rajiv Sinha
Joint Managing Director

Shri Ajit S. Shriram
Deputy Managing 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

Shri Rajesh Kandwal
LIC Nominee

Company Secretary

Shri B.L. Sachdeva

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, 5th Floor,
Plot No. C/1, G Block, 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 has been paid by the Company to the above Stock Exchanges)

Notice

REGISTERED OFFICE:
5th Floor, Kanchenjunga Building,
18, Barakhamba Road, New Delhi.

Notice is hereby given that the Twenty Third Annual General Meeting of DCM Shriram Consolidated Limited will be held on Tuesday, the 14th August, 2012 at 10.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi to transact the following business:

Ordinary Business:

1. To consider and adopt the Directors' Report, the audited Balance Sheet of the Company as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Vimal Bhandari, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Sunil Kant Munjal, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri D. Sengupta, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company and fix their remuneration.

Special Business:

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 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, and the Schedule(s) thereto, including any statutory modification or re-enactment thereof, to the re-appointment of Dr. N.J. Singh as Whole Time Director – Environment, Health & Safety (EHS) on the terms and conditions as set out hereunder:

   Terms & Conditions of appointment

   1. **Tenure**

      Five years w.e.f. 20.11.2012

   2. **Remuneration**

      (a) Salary

      Rs.1.84 lacs per month in the range of Rs.1.75 lacs to Rs.3.0 lacs.

      (b) Perquisites

      Perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost to the Company in other cases) including benefit of the Company's furnished accommodation or house rent in lieu thereof, 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 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 commission paid to all the Managing/Whole-time Directors of the Company shall not exceed the limit laid down under Sections 198 and 309 of the Companies Act, 1956.

      (d) Remuneration for a part of the Year

      Remuneration for a part of the year shall be computed on pro-rata basis.

(e) **Minimum Remuneration**

In the event of absence or inadequacy of profits in any financial year, the aforementioned remuneration excluding commission shall be paid to Whole Time Director (EHS) as the minimum remuneration, subject to the approval of the Central Government, if necessary.

3. **Functions**

Dr. N.J. Singh shall discharge such duties and functions as may be assigned to him by Chairman & Senior Managing Director and Vice Chairman & Managing Director from time to time.

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 Dr. N.J. Singh as Whole Time Director (EHS) may be terminated by either party giving to the other six calendar months notice in writing.

Resolved further that the Board of Directors or a Committee thereof be and is hereby authorised to vary or modify any of the above terms & conditions including alter, vary or increase the salary, grade and other remuneration, notwithstanding the overall remuneration set out as above or as may be prescribed/permissible 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 pursuant to the provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby consents, subject to the approval of the Central Government, for the revision of remuneration of Shri Aditya A. Shriram, Vice President w.e.f. 1.4.2012, a relative of Chairman and Senior Managing Director of the Company, in the salary scale of Rs.1.75 lacs to Rs.3.75 lacs p.m. 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 review and revise his remuneration, so as not to exceed Rs.7.50 lacs p.m., and in due course 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 remuneration payable to Shri Aditya A. Shriram as aforesaid will be subject to such modification(s) as the Central Government may stipulate which the Board of Directors or a Committee thereof be and is hereby authorized to accept.

Resolved further that the Board of Directors or a Committee thereof, be and is hereby authorised to take all necessary steps and actions, which are incidental and consequential to give effect to the above 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 314 and other applicable provisions, if any, of the Companies Act, 1956 and Rules made thereunder (including any Statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby consents to increase the remuneration upto Rs.2.5 lacs p.m. w.e.f. 1.4.2012 of Shri Anand A. Shriram, Officer on Special Duty, a relative of Chairman and Senior Managing Director of the Company.

Resolved further that the Board of Directors or a Committee thereof, 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 an Ordinary Resolution:

"Resolved that pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such consents and approvals as may be necessary, the Board of Directors of the Company or a duly constituted Committee thereof be and is hereby authorised to hypothecate, mortgage and/or charge all or any of the present and future movable and immovable properties of the Company, situated at DSCL Sugar-Ajbapur, District

Lakhimpur Kheri (U.P.) and DSCL Sugar-Loni, District Hardoi (U.P.) units of the Company, together with all buildings and structures thereon and all plants and machinery attached to the earth, both present and future, and the whole of the undertaking of the Company relating to the said units together with the power in favour of the lender(s) to take over the management of the business and concern and/or undertaking of the Company relating to the aforesaid units, mortgaged/charged to them in certain events of default for the purpose of securing the financial assistance from Standard Chartered Bank, U.K. for Rs.100 crores (Equivalent to USD 20 million – USD 15 million on Ajbapur properties & USD 5 million on Loni properties) as first pari-passu charge on the moveable or immovable properties of the said units together with interest, compound interest, additional interest, further interest, liquidated damages, commitment charges, premia on prepayment or on redemption, guarantee commission, remuneration payable to trustees, costs, charges, expenses and all other monies including any increase/decrease as a result of devaluation/revaluation/fluctuation in the rates of exchange of foreign currency under their letter(s) of sanction(s)/memorandum(s) of terms and conditions, loan agreement(s) as amended from time to time involved/payable by the Company and that such mortgage(s)/ charge(s), shall rank as indicated in the resolution/pari passu with similar mortgage(s) and charge(s) created/to be created by the Company to secure the financial facilities/borrowings availed or to be availed by the Company from Financial Institution(s)/Bank(s)/ Body(ies) Corporate.

Resolved further that the mortgage(s)/charge(s) created or to be created and/or all Agreements/Documents executed or to be executed and all acts done or to be done in terms of the above Resolution by and with the authority of the Board of Directors or a Committee thereof be and are hereby ratified and confirmed.

Resolved further that the Board of Directors or a Committee thereof be and is hereby authorised to finalise the documents to secure the facilities/borrowings as aforesaid and to do all such acts, deeds, matters and things as may be necessary, desirable, expedient for implementing the above Resolution and to resolve any question or difficulty which may arise in relation thereto, or otherwise considered by the Board of Directors to be in the best interest of the Company."

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 the applicable provisions of the companies Act, 1956 and subject to the approval of Central Government, if required, the Company hereby approves the following 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 in the Annual General Meeting held on 19.8.2008 and the same be and is hereby substituted to read as below:

"(b) Perquisites

Perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost to the Company in other cases) like the benefit of the Company's furnished accommodation or house rent in lieu thereof, gas, electricity, water and furnishings, club fees, personal accident insurance, use of Company's car and telephone at residence, medical reimbursement, leave and leave travel concession, education benefits and any other benefits provided to the employee(s) of the Company from time to time, including but not limited to entitlements on account of any subsisting or future long term incentive plans, provident fund, superannuation fund and gratuity in accordance with the scheme(s) and rule(s) applicable to the members of the staff of the Company from time to time, in respect of any of such benefits."

Resolved further that all other Terms & Conditions of the re-appointment of Shri Rajiv Sinha shall remain unchanged.

Resolved further that the Board of Directors or any Committee thereof be and is hereby authorized to take all such steps as are incidental or consequential thereto to give effect to the above Resolution."

By Order of the Board

(B.L. SACHDEVA)
Company Secretary

New Delhi
10th July, 2012

Notes:

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 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.**
3. The Share Transfer Books and the Register of Members of the Company will remain closed from 31.7.2012 to 7.8.2012 (both days inclusive).
4. In terms of Notification issued by the Securities and Exchange Board of India, Equity Shares of the Company are under compulsory demat trading by all investors w.e.f. 21st March, 2000. Members are, therefore, advised to dematerialise their shareholding to avoid inconvenience in future.
5. 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 Ltd., the Registrar and Share Transfer Agent (RTA), F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110 020 along with proof of change of address, if 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.
6. 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.
7. In terms of SEBI Circular dated 20th May, 2009 and 7th January, 2010, 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, of the listed companies, the persons making such requests are requested to furnish 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.
8. Pursuant to Section 205A 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. The Members, who have not claimed their dividend for the said period so far, may claim the amount from the Registrar of Companies, NCT of Delhi and Haryana, 4th Floor, IFCI Tower, 61 Nehru Place, New Delhi.

   Pursuant to the amended provisions of Section 205A of the Companies Act, 1956, which came into effect w.e.f. 31.10.1998, the Company is obliged to transfer any amount lying in the unpaid dividend account which remains unpaid or unclaimed for a period of 7 years from the date of such transfer to the unpaid account to the credit of Investor Education and Protection Fund (the Fund). The Company has already transferred the unpaid interim dividend for the financial year 2004-05 to the Fund. Please note that no claim shall lie against the Company or the Fund in respect of individual amounts of dividend, once the same is transferred to the Fund. In view of this, the Members of the Company who have not yet encashed their final dividend warrant(s) for the financial year ended 31.3.2005 and thereafter may write to the Company immediately.
9. In terms of Section 109A of the Companies Act, 1956, 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 Form 2B to the Company/RTA in case shares are held in Physical form, and if held in electronic form to their depository participant.
10. **The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and had issued circulars stating that the service of document(s)/correspondence(s) by a company can be made through electronic mode. Pursuant to these circulars, Members are requested to provide their E-mail IDs to the Company or to RTA (for shares held in physical mode) or their Depository Participant (for shares held in demat mode), as the case may be, for serving of document(s)/correspondence(s) by e-mode.**

11. Re-appointment of Directors

At the ensuing Annual General Meeting, Shri Vimal Bhandari, Shri Sunil Kant Munjal, Shri D. Sengupta, Directors, retire by rotation and being eligible offer themselves for re-appointment. The Members' approval for re-appointment of Dr. N.J. Singh, Whole Time Director (EHS) for a period of 5 years w.e.f. 20.11.2012 is being sought. The information, as required under the Listing Agreement, in relation to the aforesaid Directors is as under:

Name of the Director	Shri Vimal Bhandari	Shri Sunil Kant Munjal	Shri D. Sengupta	Dr. N.J. Singh
Date of Birth	23.08.1958	14.12.1957	20.6.1942	29.11.1953
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on the Board of the Company	13.5.2003	13.5.2003	11.8.2003	20.11.2007
Qualification(s)	B.Com, C.A.	B.Com, Training in Mechanical Engineering.	Bachelor of Science in Physics, PGDM.	M.Sc., Ph.D.
Expertise in Functional Area	Finance, Human Resources and General Management	Corporate Planning, Finance, Manufacturing, Customer Relationship, Information Technology and Insurance	Market Development, Risk Analysis and Transfer Techniques, Managing Human Resources, Insurance and Reinsurance Principles and Practices, Funds Management and International Business Relations.	Environment, Health, Safety, Quality Systems, Sustainability, Food Safety and Energy Management
Directorships held in other Companies#	- Mirc Electronics Ltd. - Kalpataru Power Transmission Ltd. - Eveready Industries India Ltd. - Bayer CropScience Ltd. - Patni Computer Systems Ltd. - The Ratnakar Bank Ltd. - Piramal Glass Ltd. - J.K. Tyre & Industries Ltd.	- Hero Corporate Service Ltd. - Hero Management Service Ltd. - Shivam Autotech Ltd. - Hero Life Insurance Company Ltd. - Satyam Auto Components Ltd. - Easy Bill Ltd. - Hero Motocorp Ltd. - Hero InvestCorp Ltd. - Hero Realty and Infra Ltd. - Rockman Industries Ltd. - Arrow Infra Ltd. - Hero Mindmine Institute Ltd.	- Duncans Industries Ltd. - Reliance General Insurance Co. Ltd.	NIL
Chairman/Member of the Committee(s) of the Board of Directors of the Company	NIL	NIL	**Member** Audit Committee **Member** Managerial Remuneration Committee	NIL
Chairman/Member of the Committee(s) of the Board of Directors of other Companies in which he is a Director	Audit Committee **Chairman** - Mirc Electronics Ltd. - The Ratnakar Bank Ltd. - Piramal Glass Ltd. **Member** - Kalpataru Power Transmission Ltd. - Bayer CropScience Ltd. - Patni Computer Systems Ltd. Remuneration Committee **Chairman** - Bayer CropScience Ltd. - Patni Computer Systems Ltd. - Piramal Glass Ltd. **Member** - Mirc Electronics Ltd. Shareholders'/Investors Grievance Committee **Member** - Patni Computer Systems Ltd.	Audit Committee **Chairman** - Hero Mindmine Institute Ltd. **Member** - Hero Management Service Ltd. - Shivam Autotech Ltd. - Easy Bill Ltd. - Hero InvestCorp Ltd.	Audit Committee **Member** - Reliance General Insurance Co. Ltd.	NIL
Number of shares held in the Company	2,000	NIL	8,000	3,000

 # Excluding Private Limited Companies, Foreign Companies and Companies registered under Section 25 of the Companies Act, 1956.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM NO. 7

Dr. N.J. Singh was appointed a Director of the Company in the year 2007.

His existing tenure effective from 20.11.2007 as approved by the Members in their Annual General Meeting held on 19.8.2008 expires on 19.11.2012.

The Board of Directors of the Company have recommended his re-appointment for a further period of 5 years with effect from 20.11.2012. Members' approval is sought to his re-appointment.

The terms of his re-appointment and remuneration including minimum remuneration are set out in the Resolution.

This may also be treated as the abstract and memorandum of interest under Section 302 of the Companies Act, 1956.

Except Dr. N.J. Singh, none of the Directors is concerned or interested in the Resolution.

ITEM NO. 8

The Members in their Meeting held on 19.8.2008 had approved the revision in the remuneration of Shri Aditya A. Shriram upto Rs.3.5 lacs per month and the same was also approved by the Central Government.

Shri Aditya A. Shriram had been placed in the Cement business since joining and has handled various operational and strategic responsibilities. He has gained extensive experience and made a significant contribution and taken initiative for the overall improvement of the business including plant operations, commercial, marketing functions. Considering his performance and experience, he has been moved to Farm Solutions Business for handling Crop Care Chemicals, Seeds Marketing, and Farm Mechanisation, with effect from 1.4.2011.

Keeping in view his educational qualification, work experience and contribution to the operations of the Company, which has made positive impact on the overall business performance of the Company, it is proposed to revise his remuneration on terms and conditions as enumerated in the Resolution.

The revision in his remuneration requires approval of the Members and of the Central Government.

Apart from Shri Ajay S. Shriram, relative of Shri Aditya A. Shriram, no other Director is concerned or interested in the Resolution.

ITEM NO. 9

The Members in their Meeting held on 17.8.2010 had approved the appointment of Shri Anand A. Shriram as Officer on Special Duty to hold and continue to hold an office or place of profit in the Company on a total remuneration not exceeding Rs.50,000/- per month.

Shri Anand A. Shriram has got a comprehensive understanding on various processes in Kota where he was initially placed. He has been now moved to a new role in Channel Development for Retail vertical of Fenesta Business. Keeping in view his work experience and contribution in the operations of the Company, it is proposed to revise his remuneration on terms and conditions as enumerated in the Resolution.

The revision in his remuneration requires approval of the Members.

Apart from Shri Ajay S. Shriram, relative of Shri Anand A. Shriram, no other Director is concerned or interested in the Resolution.

ITEM NO. 10

The Company has availed/to be availed financial assistance from Standard Chartered Bank, U.K. as detailed in the Resolution. The terms and conditions for availing the said financial assistance, inter-alia, provide for creation of security by way of mortgage/ charge on immovable properties and by way of hypothecation of movable assets of the Company situated at DSCL Sugar-Ajbapur, District Lakhimpur Kheri (U.P.) and DSCL Sugar-Loni, District Hardoi (U.P.) units of the Company, in the manner desired by the lenders and agreed to by the Company. The creation of mortgage/charge requires approval of the Members under Section 293(1)(a) of the Companies Act, 1956.

None of the Directors is concerned or interested in the Resolution.

ITEM NO. 11

At the Annual General Meeting held on 19.8.2008, the Members of the Company had approved re-appointment of Shri Rajiv Sinha, Joint Managing Director of the Company for a period of 5 (five) years with effect from 1.11.2008 on the terms and conditions including remuneration as setforth therein. Now it is proposed to modify description of "perquisites" as provided in Clause 2 (b) of the "Terms & Conditions of re-appointment" of Shri Rajiv Sinha by inserting the following lines after the words "education benefits" as mentioned below :

"and any other benefits provided to the employee(s) of the Company from time to time, including but not limited to entitlements on account of any subsisting or future long term incentive plan".

In compliance with the provisions of Sections 198, 309 and 310 of the Companies Act, 1956 read with Schedule XIII thereto, approval of the Members is sought for the revised terms and conditions of re-appointment of Shri Rajiv Sinha for the remainder of the tenure of his appointment i.e. upto 31.10.2013.

This may also be treated as the abstract and memorandum of interest under Section 302 of the Companies Act, 1956.

Except Shri Rajiv Sinha, no other Director is concerned or interested in the Resolution.

02

From the Chairman and Vice Chairman's desk

Dear Friends,

We are glad to report a better operating performance in the year gone by. This performance was driven by high turnover growth in some businesses and margin improvement in others. The Company also made substantial cost savings in energy intensive businesses and significant operational improvements in Sugar business.

The Chloro-Vinyl business reported significant improvement in earnings and margins driven by several cost initiatives, higher volumes and increase in realizations of the Chloro-Vinyl products. This business has been facing severe increase in input costs for the last 12-18 months. The company has taken several steps to mitigate to the extent possible, the effect of this input cost increase.

Our Agri businesses including Bioseed and Farm Solutions delivered good growth in turnover and earnings during the year and continue to hold strong promise and we expect them to deliver stable earnings growth in the coming years.

In the Sugar business, we witnessed a better operating performance as our intensive Cane development programme allowed us to increase our Sugar production by ~ 30%. Going forward, the performance of this business will be determined by the Government policies. The Government has taken some steps in this direction. However, a lot more needs to be done, so that the industry can regain some financial health and viability.

The Hariyali business continues to incur losses. The Company has taken several steps over the last few quarters to consolidate and restructure the operations which included shutting down of over 100 unviable outlets, limit business in Commodity trading and Seeds vertical etc. We are evaluating and taking more steps so as to achieve substantial reduction in its losses at the earliest.

Fenesta continues to witness healthy growth especially in the retail segment. The company is focused on further enhancing the share of retail in the overall business by introduction of new products, strengthening the brand, enhancing the distribution network etc.

Going forward, the company is focused on strengthening and growing the Bioseed, Farm Solutions and Fenesta businesses. We are focused on improving our cost structures in our commodity businesses. We believe these efforts will help us in achieving healthy growth in the coming years.

We believe our people are the key to achieve our corporate goals. The company also believes that with the volatility in the global economy, people need to constantly improve their competencies to meet these challenges. We continue to pay a lot of emphasis on their developments.

We have always taken our role towards social responsibility seriously and believe in making a significant difference to the society and the communities in which we operate.

We would like to take this opportunity to thank all the members of the board, business associates, employees, vendors, suppliers, government agencies, lenders and shareholders who have always supported our progress across varied business. With their cooperation, we are confident of delivering superior value to all stakeholders.

With best wishes,

(VIKRAM S. SHRIRAM)
Vice Chairman &
Managing Director

(AJAY S. SHRIRAM)
Chairman &
Sr. Managing Director

03

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 a Member of the Shareholders/Investors' Grievance 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 Member of The Institute of Chartered Accountants of India. He is a Member of the Shareholders/Investors' Grievance Committee of the Company.

Shri Rajiv Sinha, Joint Managing Director (DIN No. 00027302), is a Director of the Company since 1.11.1998. He joined the Company in 1972 as a Management Trainee after graduating from IIT, Kanpur in Mechanical Engineering. Later, he attended the Executive Development Programme at the Stanford University, U.S.A.

Shri Ajit S. Shriram, Deputy 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.

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 been working as Chief Executive, Shriram Environment & Allied Service and General Manager (Safety and Environment) with the Company at Kota.

Dr. S.S. Baijal is a Non-Executive Director (DIN No. 00027961) of the Company since 22.5.1990. He retired as the Chairman of ICI Companies in India in 1987. He holds B.Sc., M.Sc., D.Phil Degrees. He is Chairman of the Board Audit Committee and Member of the Shareholders/Investors' Grievance 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 Chairman of SRF Ltd. He graduated in Industrial Engineering from the University of Michigan, U.S.A. He is a Member of the 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 member of The Institute of Chartered Accountants of India. He is Chairman of the Shareholders/ Investors' Grievance Committee and Member of the Board Audit 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 Pvt. Ltd.

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 Joint Managing Director of Hero MotoCorp Limited besides the Chairman of Hero Corporate Service Ltd., Hero Management Service Ltd. and Shivam Autotech Ltd. He has been the President of Confederation of Indian Industry (CII). He has made significant contributions to some of the National level Economic reforms in India in the capacity of Chairman or as a Member of different Committees or expert groups.

Shri D. Sengupta is a Non-Executive Director (DIN No. 00043289) of the Company since 11.8.2003. He retired as Chairman of General Insurance Corporation of India in June, 2002. He is a Bachelor of Science in Physics and holds Post Graduate Diploma in Marketing from FMS, Delhi University. He is a Member of the Board Audit Committee of the Company.

Shri Rajesh Kandwal, a nominee of Life Insurance Corporation of India (LIC), is a Non-Executive Director (DIN No. 02509203) of the Company since 3.1.2011. He is a Post Graduate in Science from Delhi University. He joined LIC in September 1981 and has worked in various branches since then.

04

Senior Executive Team

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

Shri Ajay S. Shriram
Chairman & Senior Managing Director

Shri Vikram S. Shriram
Vice Chairman & Managing Director

Shri Rajiv Sinha
Joint Managing Director

Shri Ajit S. Shriram
Deputy Managing Director

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

Shri K.K. Kaul
Senior Executive Director & Resident Head - Kota

Shri S. Radhakrishna
Senior Executive Director - Sugar Business

Shri A.K. Awasthi
Chief Executive - Hydro Business

Shri Sovan Chakrabarty
Executive Director - Farm Solutions Business

Shri Rajesh Gupta
President & Business Head - "Hariyali"

Shri J.K. Jain
President & CFO

Shri Anil Kumar
President & Business Head - Chemicals

Dr. Sharad Sharma
President - Shriram Bioseed Genetics

Shri Rajat Mukerjei
Senior Vice President and Business Head - Cement

Shri Sandeep Mathur
Senior Vice President & Business Head - Fenesta™ Building Systems

Shri Sushil Baveja
Head - Corporate HR

Shri Rajiv Arora
Vice President & Business Head - Shriram PolyTech

Shri B.L. Sachdeva
Company Secretary

Subsidiaries

Dr. Paresh Verma
Director Research - Bioseed Research India Pvt. Ltd.
Shri Sambit Satapathy
Country Head - Bioseed Vietnam Ltd.
Shri Rajeev V. Nayak
Country Head - Bioseed Research Philippines Inc.
Shri N.H. Jaisimha
Country Head - Shriram Bioseed (Thailand) Limited, Thailand

05

Our Businesses

1. **Chloro-Vinyl business:**

   i. **Chlor- Alkali**: This comprises of Caustic Soda (Lye and flakes), Chlorine and associated chemicals including Hydrochloric acid, Stable Bleaching powder, Compressed Hydrogen and Sodium Hypochlorite. The Company has two manufacturing facilities located at Kota (Rajasthan) and Bharuch (Gujarat) with full coal based captive power. The Company's total Chlor-Alkali capacity is 765 TPD.

   ii. **Plastics Business**: This is highly integrated covering manufacture of PVC resins, Calcium Carbide and PVC Compounds

      o **PVC Resin** is fully integrated with captive production of acetylene, chlorine and coal based power, located at Kota.

      o **PVC Compounds** of which the Company is the largest manufacturer in the organised sector is backed by an innovative Polymer Application Development Centre (iPAC) at Gurgaon, India.

   ~143 MW Power Generating capacity used to supply power to the above said businesses or sell in the market depending upon the economic attractiveness.

2. **Agri-Input Business**:

   i. **Fertilizer**: The Company has dual feed naphtha/LNG based Urea plant with a capacity of 3.79 lakh T.P.A., located at its integrated manufacturing facility at Kota. It is currently operating on 100% LNG.

   ii. **Farm Solutions**: This business provides complete basket of agri-inputs to the farming community by offering a range of fertilizers, micro-nutrients, hybrid seeds, pesticides and other value added products etc. through its wide distribution network along with high quality agronomy services aimed at increasing farmer productivity.

   iii. **Bioseed (Hybrid Seeds)**: Bioseed business is present across the entire value chain, i.e. Research, Production, Processing, Extension activities and Marketing with established significant presence in India, Philippines and Vietnam. The Company has started test/test marketing in Thailand, Indonesia. Bioseed is present in both the field and Vegetable crops.

3. **Sugar**: The Company's sugar business comprises of 4 facilities with a combined capacity of 33,000 TCD in Central U.P. and Co-gen power capacity of 94.5 MW.

4. **Hariyali Kisaan Bazaar**: These are 'Rural Business Centres' which are a one stop shop to meet the multiple needs of the rural communities. The outlets provide full range of agri-inputs backed by customized agronomy services as well as other necessities and consumer goods.

5. **The Cement business**, located at Kota is of 0.4 Million tonne capacity and is based on waste generated from the Calcium Carbide production process.

6. **Fenesta Building Systems** manufactures and sells UPVC windows (Un-Plasticized PVC) and door systems under the brand "Fenesta". It offers complete solutions starting from design, fabrication to installation at the customer's site.

7. **Other Businesses**:

   Textiles: The Company has a small textile operation in the form of 14,544 spindles spinning unit at Tonk in Rajasthan.

06

Core Values and Beliefs

The Company's core values and beliefs are a reflection of its commitment to build a world class, learning organization, to excel and win in all its endeavours:

Customer Focus

- Be sensitive to the needs of the customer; develop superior customer insight
- Commitment to surpass expectations and deliver superior value

Innovation and Excellence

- Think differently and promote creativity
- Make continuous improvement a way of life; drive excellence

People Development

- Continuously improve and upgrade the skills and competencies of our people
- Support people to realise their potential

Team Work

- Work closely as a cohesive, well-knit team
- Inculcate a spirit of openness and collaboration

Relationships and Human Dignity

- Value people and partnerships
- Nurture understanding, compassion, trust and respect in all relationships

Social Responsibility and Ethics

- Be a socially responsible corporate, addressing the needs of the community and environment
- Conduct business ethically
- Maintain highest standards of personal integrity

07

Financial Highlights

(Rs. Crores)

Financial Highlights									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Net Sales									
- Own Products	1175.3	1375.7	1735.1	1945.8	2211.0	2711.3	2487.8	2419.5	3085.4
- Traded	288.2	493.2	656.8	821.5	363.0	789.5	1031.4	1715.0	1920.8
- Total	1463.4	1868.9	2391.9	2767.4	2573.9	3500.8	3519.1	4134.5	5006.2
PBDIT #	201.3	235.3	295.1	239.6	218.0	400.3	367.6	231.9	364.8
Interest	42.1	34.7	49.4	79.1	87.6	150.4	88.6	103.9	160.3
PBDT	159.2	200.6	245.7	160.5	130.4	249.9	279.0	128.0	204.5
Depreciation & Misc. exp. w/off	55.2	57.3	73.2	93.4	123.7	148.7	163.0	160.0	156.9
PBT	104.0	114.8	172.5	67.1	6.7	101.1	116.1	-32.0	47.6
Exceptional Items					779.6		6.5		-38.1
Profit After Tax*	75.6	107.7	121.0	43.4	-1.3	122.6	77.8	-14.3	50.0
Cash Profit*	150.9	162.8	226.6	160.2	126.6	241.9	267.8	125.5	202.9
Share Capital - Equity	16.7	16.7	33.3	33.3	33.3	33.3	33.3	33.3	33.3
Net Worth	345.0	458.1	543.3	571.8	1149.3	1268.5	1329.6	1306.4	1315.2
Deferred Tax liability	109.5	95.4	146.7	170.1	171.2	143.9	176.3	156.1	152.1
Long term loans ##	344.7	504.7	740.2	789.5	991.0	1234.4	1047.9	919.8	904.4
Short term loans ##	72.7	167.6	307.0	695.2	734.8	699.1	356.1	697.5	672.7
Total Assets	1214.9	1676.7	2369.4	3191.1	3634.3	4042.7	3654.2	3885.9	4628.6
Earnings per share (Rs.) **	4.4	6.3	7.1	2.6	-0.1	7.4	5.1	-0.9	2.6
Dividend per share (Rs.)**	1.2	1.6	0.9	0.8	3.3	0.8	0.8	0.4	0.4

Ratios									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Return on Net Worth	24.5	26.8	24.2	7.8	-	10.1	6.0	-	3.8
Operating Margin	13.8	12.6	12.3	8.7	8.5	11.4	10.4	5.6	7.3
PAT to Net Sales %	5.2	5.8	5.1	1.6	-	3.5	2.2	-	1.0
Long term Debt/PBDIT ##	1.7	2.1	2.5	3.3	4.5	3.1	2.9	4.0	2.5
Long term Debt/Net Worth ##	1.0	1.1	1.4	1.4	0.9	1.0	0.8	0.7	0.7
Total Debt/Net Worth ##	1.2	1.5	1.9	2.6	1.5	1.5	1.1	1.2	1.2

Notes:-

- Figures are based on consolidated financials.
- *Profits for the year 2008 and 2010 & 2012 are before exceptional items.
- **On face value of Rs. 2 per share Post Bonus and Split of shares in 2006
- # PBDIT for 2011 & 2012 are as per Revised Schedule VI under Companies Act, 1956
- ## Debt is on net basis.

Performance Review

The Company witnessed improved performance during the year. This is despite the challenging macro environment that the company faced. The improved performance was driven by high turnover growth in some businesses and margin improvements in the others. The Company also made substantial cost savings in the Chloro-Vinyl businesses and significant operational improvements in the Sugar business.

Some of the challenges that the company faced during the year were increase in input costs especially of Coal, Salt etc which impacted our Chloro-Vinyl business. The Sugar business witnessed increase in cane prices by almost 17% without any corresponding increase in the Sugar prices. The Company witnessed higher interest costs along with increased FX volatility.

1. Net Revenues were higher by 21.4% at Rs. 5,039 crores as compared to Rs. 4,151 crores. The growth in revenues were driven by growth in Sugar (up 48%), Bioseed (up 34%), Chloro-Vinyl (up 25%) and Farm Solutions (up 18%)businesses.

   - **Bioseed:** Revenues were up by 34% at Rs. 391.4 crores driven by growth in India and Philippines. The growth was driven by BT Cotton, Corn, Vegetables and Rice.
   - **Sugar:** Revenues were up by 48% at Rs. 908 crores driven by increased free sugar volumes (up by ~ 50%) at marginally better realizations along with higher power sales.
   - **Chloro-Vinyl Business:** Revenues were up by 25% at Rs.1010 crores driven by higher volumes of Chloro-Vinyl products at improved realizations. Realizations of Chlor-Alkali up by 31%, PVC Resin up by 7% and Carbide up by 10%.
   - **Farm Solutions:** Revenues were up by 18% at Rs.1088 crores driven by Value added inputs (up by 23%) and SSP up by 46%.
   - **Fenesta:** Revenues were up by 38% driven by growth in both retail and projects segments.
   - **Hariyali Kisaan Bazaar:** Revenues were up by 10.3% to Rs. 853.4 crores - Revenue growth was slower in Core Retail. Growth further moderated as we decided to limit business in Commodity trading and Seeds vertical.
   - **Cement:** Revenues were up by 14.5% at Rs.140.7 crores as the business witnessed increased sales volumes (up by 6%) at better realizations (up by10.5%).

2. PBIT at Rs.208 crores was up by 189%.

   PBIT Consolidated

Particulars	FY 2012		FY 2011	
	Rs. Crores	%of Total	Rs. Crores	% of Total
Agri Input				
Fertilizer	20.03	5.47	29.3	13.18
Farm Solutions	60.47	16.51	45.52	20.47
Bioseed	61.82	16.88	37.81	17.00
Sub-Total	**142.32**	**38.87**	**112.63**	**50.65**
Sugar	30.63	8.36		
Chloro-Vinyl	178.18	48.66	93.35	41.98
Cement	15.06	4.11	16.41	7.38
Total	**366.19**	**100.00**	**222.39**	**100.00**
Sugar			(7.12)	
Hariyali Kisaan Bazar	(105.22)		(83.10)	
Other Businesses	(15.72)		(11.17)	
Unallocated Expenditure	(37.35)		(49.07)	
Grand Total	**207.90**		**71.93**	

   The key reasons for this increase are explained below:

   - **Bioseed PBIT** was up by 63.5% at Rs.62 crores driven by growth in revenues by 34%.
   - **Chloro-Vinyl PBIT was up by 91% at Rs.178.2 crores essentially due to** higher production of Chloro-Vinyl products at better realizations. However, the increase in input costs of Coal, Salt etc continued to moderate the upside in earnings.
   - **Farm Solutions PBIT was up 32.8% to Rs.60.5 crores** due to volume growth in Value added inputs and SSP.
   - **Sugar PBIT was higher at Rs.30.6 crores as** compared to a loss of Rs.7.1 crores.

     The key reasons for this were:

     o The company's gross sugar margins swung from Rs.(182) per quintal in the previous year to positive Rs.42 per quintal in the current year.

     o In the current year, the business also witnessed higher income from by products and sale of export license.

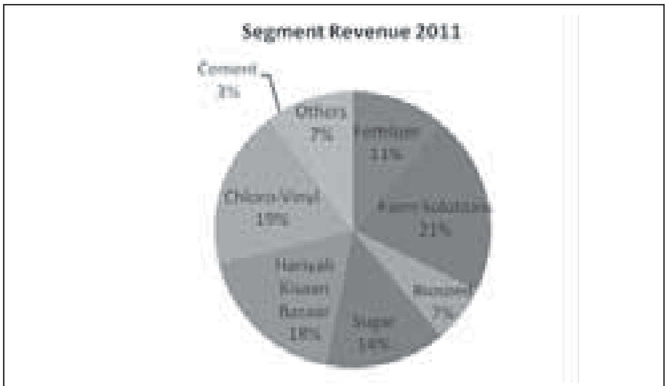
     o However, higher loss on Levy Sugar and sharp increases in Cane costs in SY 2012 had adverse effects on the earnings.

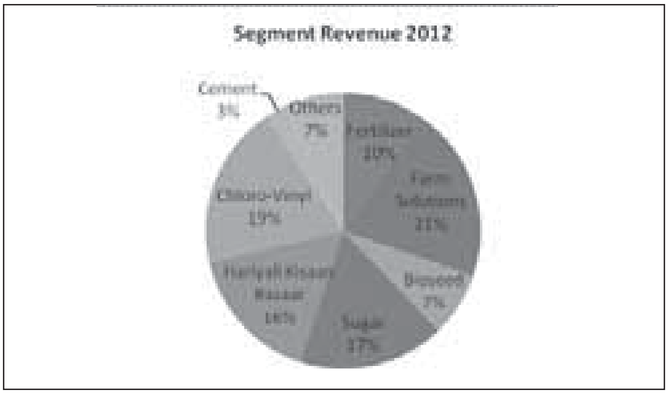
However, growth in earnings in the above mentioned businesses were moderated by the performance of the following businesses:

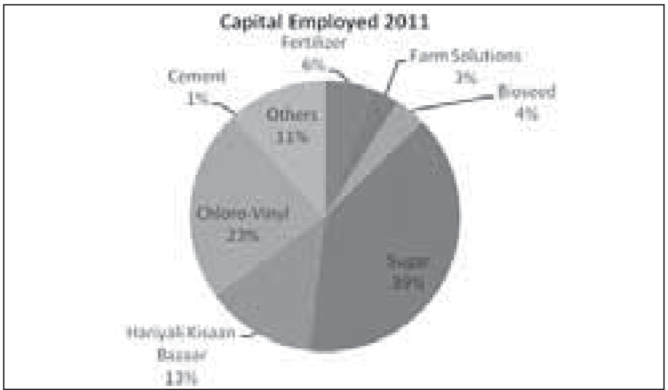
- **Hariyali Kisaan Bazaar:** In this business, losses were higher due to outlet shutdown expenses, Mark to Market losses in the commodity/seed business verticals along with slower sales growth than desired especially of core retail.
- **Cement PBIT dipped by** 8.2% to Rs.15.1 crores despite higher volumes and realizations primarily due to increase in input costs such as Coal, Power etc.
- **Fertilizer PBIT** were lower by almost 32% at Rs.20 crores essentially due to bi-annual planned maintenance shutdown undertaken by the company in Q2 FY 12 and non-revision in Urea retention prices consequent to expiry of the earlier pricing period on March 31, 2010.

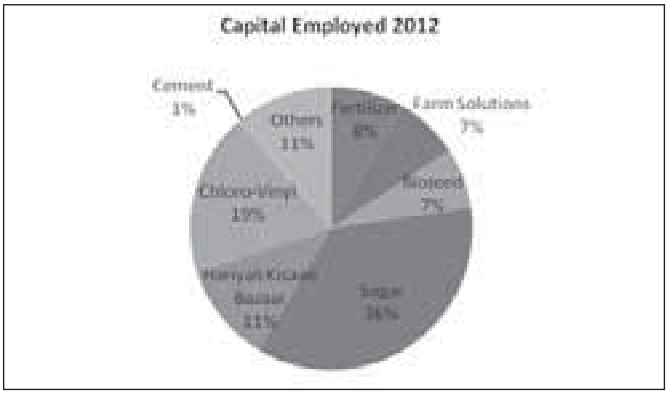
3. Interest costs up by 54% at Rs.160.3 crores driven by higher interest costs and higher average borrowings.
4. PBT before exceptional items at Rs.47.6 crores against a loss of Rs.32 crores in the previous year
5. **Exceptional Item:** The Company has accounted Rs.38 crores during the year which represents the amount of differential cane price for Sugar season 2007-08 pursuant to Honourable Supreme court's order dated 17th January, 2012.
6. **Net Profit at Rs.11.9 crores as compared to Net Loss of Rs.14.3 crores in the previous period.**

Business Mix









- The Agri-Inputs vertical, i.e. Fertilizer, Farm Solutions and Bioseed witnessed a growth of 18% in Revenues on the back of growth in Farm Solutions and Bioseed business. The Revenue share of this vertical is 38% in Financial Year 2011-12.
- The Capital employed of the Agri-input vertical increased from 13% to 22% primarily driven by higher subsidy outstandings in the Fertilizer and Farm Solutions business and higher inventory in Bioseed business.

Business wise performance review and outlook

Agri-Businesses

Fertilizer

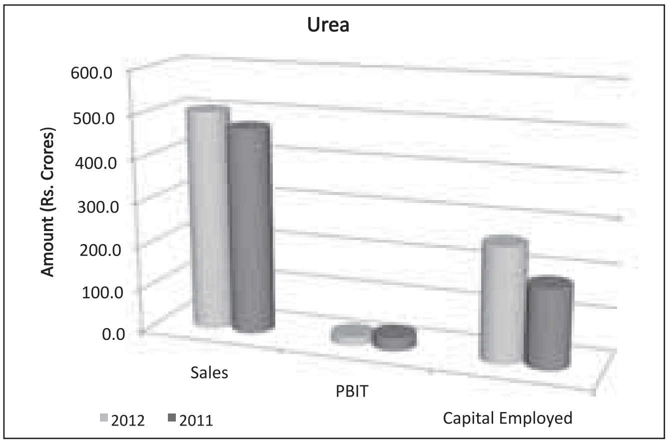
DSCL's Urea plant is one of the oldest Urea plants in the country with a reassessed capacity of 379,500 TPA at its integrated manufacturing complex at Kota, Rajasthan. We are one of the first private players in the country to set up a Urea plant. Due to the relationships developed with the farming community over decades, "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 been operating fully on Gas, since May 2009 post the conversion from Naphtha to LNG/Natural Gas in 2006-07.

Business Performance

The Revenue, PBIT and Capital employed for this business for FY 2012 along with the quantitative data is as follows:

Particulars	FY 2012 (Rs./Crores)	FY 2011 (Rs./Crores)
Sales	503.6	471.2
PBIT	20.0	29.3
Capital Employed	263.6	181.5

Year	Sales (MT)	Realizations (Rs./MT)
FY2012	387,460	12,643
FY2011	404,030	11,753
% Change	(4.1)	7.6



The earnings were under pressure during the year essentially due to planned bi-annual maintenance shutdown undertaken by the company in Q2 FY12, uncompensated cost increases due to non-revision of Urea retention prices consequent to the expiry of earlier policy on 31st March 2010 and higher arrears received in the previous year.

The production of Urea during this year 2011-12 was 387473 MT against actual production of 404040 MT in 2010-11 and reassessed capacity of 379500 MT. The production was higher by 7973 MT than reassessed capacity. This higher production was made keeping in line with the government policy on production of additional Urea over reassessed capacity under NPS III.

Industry Overview and Outlook

India is the second largest producer and consumer of Urea in the world. Urea is most preferred fertilizer and constitutes about 72 % of entire fertiliser consumption in the country. Low farm gate price (fixed by government) and high nitrogen content has made it a preferred choice of farmers.

The demand and consumption of Urea has been growing and the gap in demand / supply is currently being met by imports. During 2011-12 the total Urea production in the country was 22 million MT and India had to import 7.8 million MT of Urea to meet its demand.

The new policy post NPS III which expired on March 31, 2010 is under finalization. Early finalization of the new Urea policy will help in mitigating the impact of uncompensated costs which is putting margins/ profitability of this business under pressure. This will also provide a road map to the industry to make further investments so required in this sector as it is already meeting about 1/3rd of its requirements through imports.

Our Strategy

The Company has been focused on continuously improving its operating efficiencies along with focusing on initiatives which will help in containment of fixed expenses.

Farm Solutions

The Farm Solutions business provides a wide range of farm inputs which comprises the Value added inputs such as Seeds, Pesticides, Soluble Fertilizers, Crop Care Chemicals etc and Bulk Fertilizers like DAP, MOP and SSP. This is done through extensive distribution network. This business is present in 17 Indian states, reaching approximately 0.3 Million farmers and has a network of over 15,000 retailers. "Shriram" brand of Agri-inputs is known for its quality and enjoys a strong brand value with the farming community. The philosophy of this business is not only to provide quality and customized inputs but also provide the farmers with the latest technology/practices which would enhance their productivity. The Company is also focused on its stronger farmer interface which allows the business to capture the evolving farming trends which leads to continuous expansion of product basket. This business is also supported by an extension programme called Shriram Krishi Vikas Kendras (SKVK) which provide the following.

- Promote judicious use of Various Agri-Inputs by promoting integrating plant nutrient management.
- Focus on transfer of location specific and need based farm technology.
- Providing Training for Channel partners and farmers.

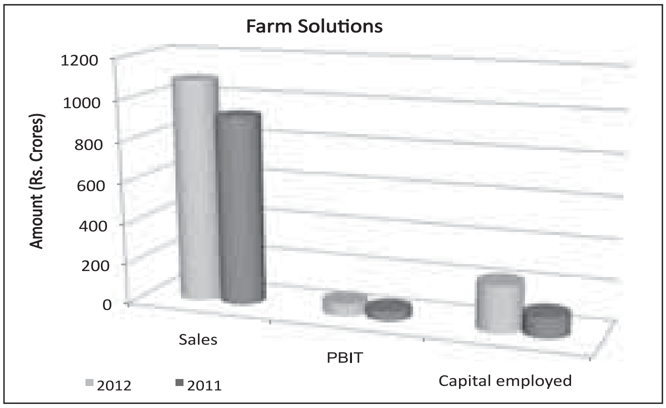
Business Performance

The Revenue, PBIT and Capital employed for this business for FY 2012 is as follows:

Particulars	FY 2012 (Rs./Crores)	FY 2011 (Rs./Crores)
Sales	1087.6	923.8
PBIT	60.5	45.5
Capital Employed	229.6	102.3

Revenues were up by 18% at Rs.1088 crores driven by Value added inputs (up by 23%) and SSP up by 46%.

PBIT up by 32.8% at Rs.60.5 crores primarily due to volume growth in Value added inputs and SSP.



Industry Overview and Outlook

The Agricultural sector was under pressure since Kharif-11 due to increase in prices of all farm inputs especially DAP/MOP, labor costs and other inflationary pressures. Given the increased costs, the prices of most of the Kharif crops were depressed. This trend continued in the Rabi season with increase in the prices of bulk fertilizers due to increase in international prices and significant depreciation of the rupee which led to buildup of inventories of bulk fertilizers in the country.

However, we do believe that in the medium to long term the country will continue to witness huge demand for food due to increase in population coupled with increase in per capita income consequent to growth of the economy in the last decade. With the rapid urbanization, the level of land available for agriculture will be stagnant or may witness decline. As per one of the industry estimates to meet the demand of 280 Mn MT of food grains by 2020, the yields of rice, wheat and cereals would need to go up by 30%, 35% and 30% respectively.

We believe that farmers remain keen to adopt new products if the company can demonstrate the positive impact through its adoption and assist the farmers in actually realizing the desired benefits.

Therefore, we continue to believe that for these reasons the demand for quality Agri-Inputs and solutions would substantially increase in the coming years.

Our Strategy

We are focusing on achieving sustained higher growth in this business over the medium term. The Company is taking several initiatives to strengthen its product portfolio based on farmer feedback, extend the company's geographic reach and strengthen the supply chain. We expect that both the Value added inputs and SSP business will register high growth in coming years. Prospects of DAP/MOP on the other hand will remain uncertain depending on Government policy framework.

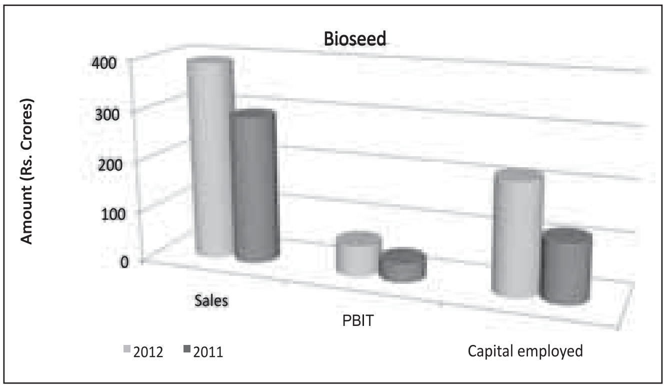
Bioseed

The Bioseed business is part of our Agri-Inputs portfolio providing high quality hybrid seeds to the farmers. The company is present across the entire value chain beginning from Research, Production, Processing and Marketing of seeds. Bioseed's key focus is to provide value to its customers by developing superior hybrids through Conventional and Genetic enhancement of various Field and Vegetable crops such as Cotton, Corn, Rice, Millet, Okra, Tomato, Hot Pepper, Brinjal, Gourds etc. The company is present in India, Vietnam and Philippines and is working towards building the business in Thailand and Indonesia.

Business Performance

The Revenue, PBIT and Capital employed for this business for FY 2012 is as follows:

Particulars	FY 2012 (Rs./Crores)	FY 2011 (Rs./Crores)
Sales	391.4	291.1
PBIT	61.8	37.8
Capital Employed	217.8	116.3



The business recorded good performance in the year gone by with revenue growth of 34% at Rs. 391 crores driven by growth in India and Philippines and the key crops which witnessed growth were BT Cotton, Corn, Rice and Vegetables.

PBIT grew by 64% for the year at Rs. 62 crores driven by 34% growth in Revenues. The company is expected to face some margin pressures in BT Cotton which is one of our key crop due to increase in cost of production without any corresponding increase in the final product prices.

Our Strategy

The company believes that to sustain growth in this business the company will have to continue to invest significantly into research activities to develop a healthy pipeline of products. The company in the last few years has invested 8-10% of revenues into research. The Company is focused on strengthening the research activities by strengthening its internal capabilities and forging alliances with State Universities, International companies and Universities etc. The company has taken several steps to strengthen its Biotech program so as to leverage that opportunity as and when it arises in India. The Company has launched BT Corn in Philippines and BT cotton in India with the technology licensed from Monsanto. The Company has an applied bio-technology 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.

Apart from Research, the company is focused on strengthening its production and marketing programs. The Company has scaled up both the activities to meet the growth of the business. The Company is also focused on extending its coverage to new geographies to continue to achieve high level of growth in this business over medium term.

Sugar

DSCL is one of the largest players in the domestic sugar industry. The company has 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. The four units have a total power cogeneration facility of 94 MW with an exportable capacity of 51.5 MW.

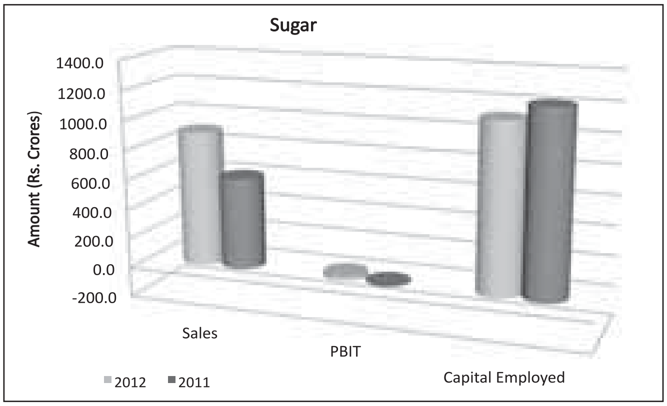
Business Performance

The Revenue, PBIT and Capital employed for this business for FY 2012 along with the quantitative data is as follows:

Particulars	FY 2012 (Rs./Crores)	FY 2011 (Rs./Crores)
Sales	907.9	614.4
PBIT	30.6	(7.1)
Capital Employed	1128.1	1224.7

Year	Sales* (Lac Quintals)	Realizations* (Rs./Qtl)
FY2012	24.9	2811
FY2011	16.6	2745
% Shift	50.4	2.4

* Free Sugar



The key operating parameters for the current season are as follows:

Particulars	Unit of Measurement	2011-12	2010-11
Sugar Season			
Cane Crushed	Lac qtls	379	297
Recovery rate	%	9.5	9.2
Sugar Produced	Lac qtls	35.6	27.4
Financial Year			
Cane Crush	Lac qtls	357	293
Recovery	%	9.4	9.1
Sugar Produced	Lac qtls	33.4	26.7

- Our operations were significantly better during SY 12 as the Sugar production was up by 30% at 35.6 lac quintals due to higher cane crush and better recoveries.
  - o Cane Crush was up by 27.6% at 379 lac quintals.
  - o Recovery improved from 9.2% to 9.48%.
- Revenues were up by 48% at Rs. 908 crores driven by increased free sugar volumes (up by 50.4%) at marginally better realizations along with higher power sales.
- Sugar PBIT at Rs.30.6 crores as compared to a loss of Rs.7.1 crores driven by swing in gross sugar margins from Rs. (182) per quintal to Rs.42 per quintal, higher income from by-products and sale of export license. Higher loss on Levy sugar and sharp increase in Cane costs in SY 2012 has had significant adverse affects.
- The Company has accounted Rs.38.1 crores in the year which represents the amount of differential Cane price for Sugar season 2007-08 pursuant to Honourable Supreme court's order dated 17th January, 2012.

Industry Overview and Outlook.

The Indian Sugar industry is one of the largest in the world. India is the second largest producer after Brazil and the largest consumer of Sugar in the world. In the domestic context, Sugar is the second largest agro-based industry supporting over 50 Million farmers along with other parts of rural population indirectly being involved. It is expected about 7.5% of the rural population is involved in this industry.

The Sugar industry has production cycles related to Cane production. This leads to sharp swings in prices. The crushing period varies from region to region. The crushing begins in October/November and goes on till April/May in all states except in Southern states like Tamil Nadu, Andhra Pradesh etc where it continues till July- August.

Indian Sugar industry is highly fragmented with private sector, Co-operatives etc along with the unorganized players. The unorganized players mainly produce Gur and Khandsari which are less refined forms of Sugar.

The Sugar industry is highly controlled by both the State and Central Governments. It is a controlled commodity under the Essential Commodities Act, 1955. The control starts at the price at which the mill purchases the Cane from the farmer. The Government of India has a dual pricing policy in place. The Central Government announces its F&RP (Fair and Remunerative Prices) which is binding across the country. The State Governments are also empowered to fix the Cane price over and above F&RP which is called the SAP (State Advised Price). The other controls include, how much material will be sold by the mill on a monthly basis (now changed to quarterly mechanism), how much exports will be made etc. The other nuance associated with the Sugar industry is the sale of 10% of the sugar produced by the mill to the Government for the Public distribution system at a price which at the moment is less than 2/3rd of cost of production of Sugar which causes huge losses to the mill which anyways are earning sub-optimal margins.

During the current season the Government of Uttar Pradesh announced the State Advised price for the General variety of Cane at Rs. 240/quintal up from Rs. 205/quintal in the previous season an increase of 17% with no corresponding increase in the final product prices.

The Sugar Production is expected to be roughly 26 Million MT for season 2011-12 up from 24.4 Million tons in the previous season. With consumption expected at about 21.5 Million MT, the closing stock would have been ~ 11 Million MT for the season. However, the Government intervened and allowed export of 3 Million MT and is expected to allow another 1 Million MT which will lead to a closing stock of about 7 Million MT for this season. (1 Million MT higher than previous season). The export of 3 Million MT till date have allowed the prices to be stable with a slightly upward bias. However, the margins have remained sub-optimal in this business. Lower profitability of this business has led to build up of high Cane arrears in the industry.

The Government has made some forward movement in the policy framework by permitting of exports under OGL and moving to quarterly release mechanism from monthly. The Government has also appointed a committee under the leadership of Mr. C. Rangarajan (Chairman of Prime Minister's Economic advisory Council) that will submit a report to the Prime Minister on the decontrol of this industry. This report is expected to be submitted by Q2 FY13. We believe that above steps taken are in the right direction, however, a lot more needs to be done so that industry can regain some financial health and viability.

On the International side, the increase in estimates of global sugar production for FY 2011-12 has put downward pressure on global sugar prices.

India was a net exporter for 2011-12 and will remain the same for 2012-13.Expectation of surplus sugar production in the world for 2012-13 is expected to put downward pressure on the prices which in turn will impact the realization from exports from India.

Going Forward.

The domestic sugar industry is likely to remain in surplus in 2012-13 with the sugar output likely to outstrip domestic consumption. Given the domestic surplus and falling international price trends which are likely to restrict export volumes no significant change is expected in the price trends that the domestic sugar industry has seen in the last 18 months. In the medium-term, the sugar price trends will continue to be determined firstly, by expectations of domestic sugar production, Secondly, by the international crude oil prices, which will determine the raw sugar: ethanol mix in Brazil, which is the world's largest producer; the movement towards decontrol including removal of levy quota etc and Cane prices for Sugar season 2012-13 in India.

Our Strategy

In Sugar, we have further intensified efforts in improving quantity and quality of Cane availability. During the just concluded sugar season (2011-2012), we achieved 30% increase in Sugar production with Cane crush going up by 27.6% and recovery going up from 9.2% to 9.48%. We are taking all the steps to further improve Cane quantity and quality in Sugar season 2012-13. The Power generation, both in the season as well as in off-season is also being maximized.

Hariyali Kisaan Bazaar

Hariyali Kisaan Bazaar meets the business needs of the farming community along with meeting the daily requirements of the rural community. These outlets also provide round the year technical support to the farmers through a team of qualified agronomists.

Hariyali has been able to establish itself as a Centre of trust, reliability and respect among the rural community.

Given the market structure, consumer profile and the bottlenecks in supply chain infrastructure, Hariyali outlets are taking longer than expected time to reach the desired sales and profit levels.

Hariyali has 165 outlets as on 31st March, 2012 spread over 6 states offering Agri, Food & Grocery, Lifestyle, Fuel etc.

Business Performance

The Revenue, PBIT and Capital employed for this business for FY 2012 is as follows:

Particulars	FY 2012 (Rs./Crores)	FY 2011 (Rs./Crores)
Sales	853.4	774.0
PBIT	(105.2)	(83.1)
Capital Employed	357.7	410.8

Hariyali Kisaan Bazaar revenues increased by 10% during the year to Rs.853 crores led by high growth in fuel segment. Growth in Revenue was moderated due to subdued growth in the Core retail vertical. PBIT losses were higher at Rs.105 crores due to outlet shutdown expenses, Mark to Market losses in the commodity/ seed business along with slower sales growth in core retail business.

Our Strategy

Hariyali continues to incur financial losses. Over the last few quarters, we have taken several steps to consolidate and restructure Hariyali's operations so as to achieve significant improvement in its financial performance. The results, however, have been below expectations. We are evaluating and taking more steps so as to achieve substantial reduction in its losses at the earliest.

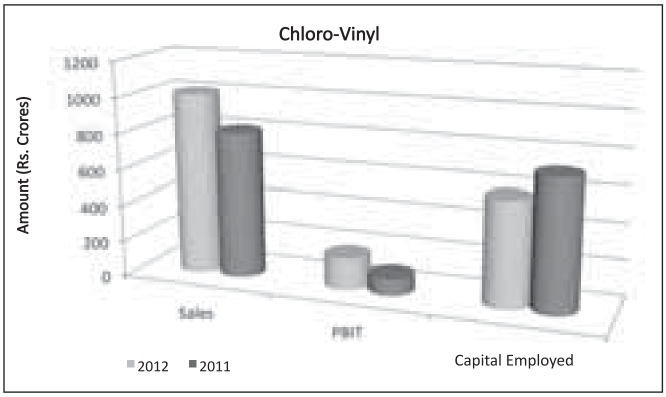
Chloro - Vinyl Businesses

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

Business Performance

The Revenue, PBIT and Capital employed for this business for FY 2012 is as follows:

Particulars	FY 2012 (Rs./Crores)	FY 2011 (Rs./Crores)
Sales	1010.0	809.8
PBIT	178.2	93.4
Capital Employed	582.9	721.7



The Revenues and PBIT for the year for the Chloro-Vinyl business were higher by 25% and 91% respectively at Rs. 1010 crores and Rs. 178 crores driven by several cost initiatives, higher volumes and better realizations of Chloro-Vinyl products especially Chlor-Alkali which was up by 31%. The increase in input costs of Coal, Salt etc continued to moderate the upside in earnings in this business. On the Coal front, the monopoly behavior of Coal India in terms of prices, quantity and quality of supplies continues to be a challenge for our Chloro-Vinyl businesses. The Company is working on several initiatives to optimize the fuel mix to mitigate the impact of this Coal cost increase. Similar efforts are being made on Carbon materials side in our Carbide and Plastics business. These efforts would help us in getting comparatively better margins.

Chlor-Alkali

Chlor-Alkali industry has Caustic Soda and Chlorine as the two Co-Products. The growth of this industry is highly correlated to the growth in the economy. These products are used primarily by the Aluminum, Paper, Soap & detergent, Polymer, Textiles and Water treatment industries.

The company has manufacturing facilities at Kota (Rajasthan) and Bharuch (Gujarat) adding up to a capacity of 765 TPD thereby placing it among top three players in the domestic Chlor-Alkali Industry. Both of our manufacturing facilities have full access to captive power based on Coal.

Business Performance

The Revenue & PBIT for this business for FY 2012 along with the quantitative data is as follows:

Particulars	FY 2012 (Rs./Crores)	FY 2011 (Rs./Crores)
Sales	585.1	395.4
PBIT	151.0	55.8

Year	Sales (MT)	Realizations (Rs./MT)
FY2012	234,435	23,542
FY2011	209,003	17,929
% Shift	12.2	31.3

The Company's Revenues and PBIT improved by 48% and 171% respectively to Rs.585 crores and Rs.151 crores. This performance was result of higher volumes at Kota facility along with improvement in realizations which were up 31% YOY. However, this business continues to witness severe cost pressures with increases in costs of Coal, Salt etc. The Company has taken several steps during the year to mitigate the impact of rising Coal costs including altering fuel mix especially at the integrated manufacturing facility at Kota.

The higher realizations during the year were driven by higher demand, rising costs, higher international prices, and sharp depreciation in the rupee making landed costs of imports expensive.

Industry Overview and Outlook

The Chlor-Alkali industry in India has 34 operating units with a combined installed capacity of 3.3 million tonnes of Caustic Soda. The top three players comprise about 1/3rd of the total installed capacity. The domestic demand for Caustic Soda and Chlorine is about 2.9 million tonnes and 2.4 million tonnes respectively. The growth in demand for Caustic soda and Chlorine is linked to GDP growth with Chlorine growing slowly vis-a-vis Caustic soda.

During the year, international prices of Caustic Soda have improved, and we expect that the continued growth in GDP will drive the growth of this industry and provide support to product prices.

Our Strategy

The company will focus on maximizing product volumes at both the manufacturing facilities given the higher netback per unit of Power from sale of Chloro-Vinyl Products. During the year gone by the company has taken several steps to mitigate the impact of rising costs and has witnessed good success in these efforts and we plan to further enhance our efforts in this direction.

Plastics

DSCL is one of the oldest manufacturers of PVC Resins in the country with operations which begun in 1963. The Plastics business is an integral part of our Chloro-Vinyl business at our manufacturing facility at Kota with integration in terms of Power, Chlorine and Calcium Carbide. The Calcium Carbide manufactured by the company is partly sold and partly used for the manufacture of PVC Resins.

DSCL is the only company in the country which manufactures PVC Resins 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.

DSCL captures optimum value from each stage of the value chain with its integrated plants. We have capacity to produce ~112000 MT per annum of Calcium Carbide. This capacity is used for making packed Carbide and also converting a part of it for making PVC resin for sale into the markets depending on which product gives better return on every unit of Power consumed. This year we sold ~ 38,500 MT of Calcium Carbide.

Our products find wide market acceptance commanding premium especially in flexible and transparent applications where customers rightly perceive the value of the product.

Quality parameters drive users in manufacturing of special applications in pressure pipes, wire and cables, blown films, rigid and flexible profiles to critical applications like blood bags, tubing and other medical and food grade applications to use various grades of our PVC resin.

Business Performance

The Revenue & PBIT for this business for FY 2012 along with the quantitative data is as follows:

Particulars	FY 2012 (Rs./Crores)	FY 2011 (Rs./Crores)
Sales	417.6	331.0
PBIT	25.5	(4.9)

Business	Year	Sales (MT)	Realizations (Rs./MT)
PVC	FY 2012	45,171	56,576
	FY 2011	34,207	52,683
	% Change	32.1	7.4
Calcium Carbide	FY 2012	38,561	39,397
	FY 2011	33,920	35,690
	% Change	13.7	10.4

The Company's Revenues were up by 26% at Rs. 417.6 crores and earnings swung from a loss of Rs. 4.9 crores in the previous year to profit of Rs. 25.5 crores during the current year. The revenues were up driven by increase in volumes of both PVC Resins and Calcium Carbide along with improved realizations of both the products. The earnings also improved due to volume growth and improvement in realizations along with the efforts taken by the company to reduce the impact of rising costs.

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. More than 70% of PVC resins are used for producing PVC pipes in India. Traditionally PVC pipes were mainly used for agriculture. However, PVC pipes are fast replacing steel pipes for plumbing applications.

The other key driver for PVC resin is the rise in micro-irrigation. This sector is expected to account for a sizeable percentage of the demand for PVC resins. Another application with large potential is PVC films for packaging. With the trend for buying packaged goods increasing even in rural India, the demand for PVC films is also expected to rise.

The Indian PVC market is expected to grow at least equivalent to the GDP growth of our country. We expect that consumption growth in case of PVC resin to be 7-8% in the coming years. The current financial year has been an exception as far as growth in consumption of PVC resin is concerned with growth being 2-3%. The economic slowdown, rising interest rates, Volatility in the rupee and depressed buying sentiments are some of the factors responsible for the slide in demand for PVC. The other factor which affected the demand for PVC Resins is the unusual heavy monsoon season during 2011-12 which led to lower than average demand for pipes.

The Indian 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 almost 2 MTPA. The gap of 0.7 MTPA is being met by import of material in the country. We do believe that PVC will witness healthy growth rates in the coming years given the shortage of quality infrastructure in the country.

In case of Calcium Carbide, continuous increase in usage of DS compound in Steel Industry remains the key factor for growth in demand for Calcium Carbide. Increased focus of Government on infrastructure sector will result in growth in steel use and is likely to have a positive impact on the growth in demand for Calcium Carbide in India.

Our Strategy

The company will focus on maximizing product volumes given the higher netback per unit of Power from sale of Chloro-Vinyl Products. During the year gone by the company has taken several steps to mitigate the impact of rising costs such as Carbon materials etc and has witnessed good success in these efforts and we plan to further enhance our efforts in this direction.

Power

Captive power generation is a critical business activity to sustain our company's operations. The Company currently has a total installed capacity of 283 MW at various locations of which 188 MW is Coal based and 94MW is bagasse based. Out of this 51.5 MW is dedicated to sale of Power to distribution companies. The balance 231 MW has multiple uses and revenue stream which includes sale of Power when the netback per unit of Power is higher than the sale of Chloro-Vinyl products.

The area of concern in this business has been high energy costs both internationally and in domestic market. The monopoly behavior of Coal India in terms of prices, quantity and quality of supplies is a challenge for our Chloro-Vinyl businesses.

The company has taken several steps to mitigate the impact of rising coal costs including optimizing fuel mix etc.

We are also aiming at commissioning our Lignite mine over medium term to meet part of fuel requirements for power.

Other Businesses

Fenesta Building Systems

Fenesta Building Systems is the pioneer and country's largest UPVC windows and doors providing complete solutions starting from design, extrusion, fabrication to installation at the customer's site. With approximately 1 million window installations in the country till now, "Fenesta" brand has become synonymous to UPVC windows and doors.

The business operates in two verticals:

1. **Projects/ Institutional:** segment dealing with institutional sales (large developers) comprising of group housing and communities. Some of the reputed developers include DLF, Prestige, Brigade etc.
2. **Retail:** caters to individual customers in the segments of 'new construction', 'renovation and replacement' on one hand and smaller projects like commercial on the other.

We entered the retail segment over 3-4 years back to remove the dependence of this business on one segment, i.e. project/institutional which in turn is dependent on the cyclical real estate business. Since then we have made significant progress in this segment with this segment contributing about 38% of the overall revenue. We have now increased our distribution network to 65 cities and 160 dealers across India.

The business continues to witness a robust growth (topline up by 38% against last year) across both the segments. This year institutional builders/ developers focused more on project execution which had a positive impact on our projects billing. The lower rate of new launches this year however got reflected in moderated order-booking in the projects segment.

Our Strategy

The Company is focused on further enhancing the retail business. This includes launch of new products/product extension. Having launched 'Villa' windows successfully this year across the country - innovative concept blended with Indian tradition to suit Indian villas - company shall continue focussing on new product development to cater to customer needs.

We also intend to increase penetration by expanding our channel network density and stepping up service delivery models, increasing geographical reach along with up gradation of customer services. We are aiming to increase rapidly the overall share of retail sales in the next two years.

Cement

DSCL's Cement Business is based on the Calcium hydroxide sludge that is generated during the Acetylene production at its integrated manufacturing facility at Kota which is then converted into Cement in an environmentally friendly manner.

The current capacity of the plant is 4 lac TPA. The company produces high quality, premium grade both Ordinary Portland and blended Cements. The Cement is characterized by light colour, superior strength and setting properties. These characteristics have allowed the "Shriram" brand to have strong brand equity and command premium in the market.

Business Performance

The Revenue, PBIT and Capital employed for this business for FY 2012 along with quantitative data is as follows:

Particulars	FY 2012 (Rs./Crores)	FY 2011 (Rs./Crores)
Sales	140.7	122.8
PBIT	15.1	16.4
Capital Employed	25.1	28.6

Particulars	Sales (MT)	Realizations (Rs./MT)
FY2012	393,498	2,867
FY2011	372,104	2,594
% Change	5.7	10.5

The Revenues from this business were higher by 15% at Rs. 141 crores driven by higher sales volumes which were up by 6% and better realizations which were up by 11%. Despite higher volumes and better realizations, the company's earnings moderated by 8% to Rs.15 crores due to increase in key input costs such as Coal, Salt etc.

Our Strategy

Our strategy in the business is to optimize the product mix for higher returns and continuously improve upon cost & efficiencies.

PVC Compounds

DSCL is one of the largest manufacturers of PVC Compounds in the country. The company is able to serve diverse application segments due to availability of combination of technologies under one roof. The company has been focused on developing Value added specialty compounds in the flexible and rigid applications. The company has state of the art development centre- Innovative Polymer application centre (i-PAC) which facilitates a collaborative process with suppliers and customers.

DSCL's strength in this business is the technical expertise and market knowledge accumulated over decades along with focus on development of new applications.

Business Performance

Excess manufacturing capacity, slowdown in demand and increasing costs were the challenges that the business faced in the current year. The company recalibrated its strategy by reducing sales in the lower margin segments such as Wire and Cable segment. The Company enhanced its focus on value added segment such as automotive profiles, window beading and rigid transparent applications. Adherence to best manufacturing practices and focus on costs helped the business during the period.

Textiles

DSCL has its spinning unit at Tonk, Rajasthan with a capacity of 14,544 spindles. The company is focused on improving efficiencies and cost rationalization in the business.

Human Resources and Industrial / Employee Relations

The Company has, as always, continued with its focus on development of its human resources to build their long-term engagement with the Organisation. People have been integral to the Organisation's growth and development and, therefore, being sensitive to their needs, along with appropriate harnessing of their potential, has been a matter of significant focus on a sustainable basis through structured and well institutionalised efforts and initiatives across all the businesses of the Organisation.

Human Resources Optimisation

The focus during the year, across all the businesses of the Organisation, has been on driving improvements, efficiencies and productivity enhancement and, thereby, optimum utilisation of the human resources. Emphasis has been on encouraging greater amount of ideation amongst employees to look at new and improved methods of working. There has been sustained effort to develop programs that drive profit improvement and cost reduction using innovative ideas, practices and processes in line with the best of the industry practices and benchmarks. Reviewing and strengthening of all the existing processes, systems and practices has now become an on-going exercise so as to be in line with the external developments and business needs.

HR Initiatives & Engagement

The Organisation continues to carry forward its agenda of driving employee engagement across the various businesses based on the findings of the engagement study that gets conducted every year by Corporate Executive Board. The action plan has been developed to leverage the strengths of the Organisation and also ensure that the improvement area(s) are focussed upon appropriately. Some of the key HR initiatives during the year have been built around Communication, Talent and Leadership Development, Capability Building and Performance Management. Periodic follow-ups have been happening on the IDPs (Individual Development Plans) of some of the key employees including mentoring, coaching, job rotation, exposure to training programs and self development. A major initiative during the year has been strengthening the performance management process using the Balanced Score Card tool. This is basically to ensure strong alignment of individual plans with the business goals and objectives and getting a sharper focus on key deliverables and outcomes which impact the business and organisational performance. Further, the various social programs and welfare initiatives have continued to help build better connect with the employees.

Training and Development

People Development has not only been a core value and belief of the Organisation but also a key business driver and accordingly the focus on Training and

Development of employees across all levels has been consistently applied in all the businesses. Programs around skill and competency building, based on individual, business and organisational needs, have been organised all through the year. There have been in-house programs and nominations of employees to programs conducted by prestigious external agencies and business schools. The year also saw for the first time the launch of the Harvard Manage Mentor (HMM) training module conducted by Harvard Business Publishing based on well-researched content, including case studies, provided by Harvard Business School. The program provides for a blending learning process using on-line training modules, cafes and webinars, based on the key competency themes of the Organisation. The objective has been to prepare managers for the present and future needs of the business and Organisation.

Industrial and Employee Relations

The company has had very cordial and harmonious industrial and employee relations across all the businesses of the Organisation. At the core of the peace and harmony has been the strong relationship and welfare orientation of the Organisation characterised by a strong sense of care and concern for the needs of the employees and their families. The relationship with all the employees has been based on transparent communication and mutual trust and faith. Treating people with respect and dignity and ensuring that the concerns are proactively addressed has been integral to the people philosophy of the Organisation. The company has been ensuring that it is fair and objective in dealing with all people matters.

The authentic and genuine approach of the Organisation towards its people as reflected in its various policies, practices and systems has ensured institutionalization of a healthy and engaged work climate across all its businesses. This has been a huge business enabler impacting the overall performance of the business and Organization in a positive way.

09

Corporate Social Responsibility

DCM Shriram Consolidated Limited (DSCL) has been dedicated to working towards the welfare of the society. Right from the beginning, DSCL recognised the need to contribute to the community and be a good corporate citizen. Our efforts with regard to the same have been manifested in the form of various initiatives in the fields of healthcare, education, sports, cultural heritage, HIV-AIDS prevention and family planning respectively.

Ecological Balance

Industrial activities tend to cause an ecological imbalance, which can be detrimental to the environment. DSCL maintains a practice of planting trees in all its command areas. In Bharuch it has set aside a green belt, marked by increased planting of trees. At Kota, DSCL's sustained efforts have led to a 95 percent tree survival rate despite the rocky terrain.

Locations across the Sugar units have seen the implementation of environmental initiatives. The programs require the setting up of Panchvatis, best described as plantation clusters, all across the command area. Each cluster has Aonia, Bel, Peepul and Sita Ashok saplings. In selected villages, these Panchvatis are planted on community owned land. Post plantation, all the looking after and maintenance is done by volunteers.

Infrastructure

Carelessness in the disposal of industrial waste can destroy the ecosystem. DSCL has built Effluent Treatment Plants for the treatment and correct disposal of industrial waste, in partnership with the factories in Bharuch. Together with the local community it has also built a stretch of roads around the cane-growing areas spanning over 50 km.

Education

The most important developmental aspect in our country today is education; consequently improvement of educational infrastructure as well as opportunities is the need of the hour. Recognising this urgency, DSCL has instituted various scholarships in educational institutions relating to management, engineering, agriculture and medicine, with the purpose of providing meritorious students with the opportunity and encouragement to scale new heights. DSCL also continues to support educational activities in and around its manufacturing locations. DSCL's initiatives in the context of education have a special focus on enriching the future of the girl child.

One manufacturing location which has benefited from DSCL's scholarship program initiative is Kota in Rajasthan. These programs encourage students to pursue further studies and provide them with the requisite resources. Also, the infrastructure of numerous schools in the area has been boosted, with the incorporation of basic facilities such as safe drinking water.

Another scholarship program has been instituted for the villages around DSCL's facility in Bharuch, Gujarat. Alongside this, the company has funded a degree college in the area. In another innovative scheme, promising students are awarded each year with 'fixed deposits', which may be liquidated after the student's 18^{th} birthday, or until the date of his/her higher education/marriage.

Another initiative has been launched to improve the education delivery system around the Sugar facilities, in government primary schools in 25 identified priority villages across the command area. The efforts for improvement are in the form of infrastructure upgrades, teaching support in the form of volunteers from the families of employees, and training programs for teaching staff. A public school in collaboration with Ryan International has been set up in our Sugar operations area.

Health Care

Another major concern along with education is health care and medicine. DSCL has made conscientious efforts to develop healthcare facilities around its manufacturing units in order to improve the health situation in the community.

An extremely effective tool in educating and bringing about a change in mindset and behaviour at an individual level as well as a community level is spreading awareness. DSCL contributes necessary resources towards its healthcare initiatives and has run several awareness campaigns to educate people about diseases such as AIDS and cancer. DSCL believes that it is socially obligated to drive forward the mission of NACO (National AIDS Control Organisation), in line with the National AIDS Policy. The aim is to control the spread of HIV-AIDS though desirable modifications in behaviour, which can be achieved only by spreading awareness.

Mid-day Meal Scheme for Children in Schools

Apart from its own initiatives, DSCL provides support to state-run schemes as well. In collaboration with the Government of Rajasthan, DSCL contributes towards the state government's Mid Day Meal scheme for schools in Jhalawar and Kota districts of Rajasthan. The objective of the program is to discourage irregularity in attendance, and to minimize dropout rates. The programme also provides a platform to local women for employment in both kitchens as well as distribution jobs. The Mid Day Meal scheme has been a tremendous success all over the country and has played an instrumental role in increasing and maintaining the enrollment ratio, and is one of the biggest contributing factors to the improvement of India's primary education scenario.

Water Management

There is a marked scarcity of water in the arid zone around Kota in Rajasthan, and DSCL is working towards mitigating this by installing submersible pumps, constructing water storage tanks and digging bore wells. In the area around the Sugar Mills, bore wells have been financed and a program has been established to enhance the irrigation system available to farmers. This involves creation of bore wells for the farming community, improvement of the existing drainage system by de-silting farmland drains, etc. A supply of animal feed and drinking water has been facilitated to many drought hit villages in Rajasthan.

Another water management initiative used effectively across DSCL's manufacturing locations is Water Harvesting. This technique has been utilised at locations such as Kota where there is a reservoir spread over 50 acres, accommodating 4.5 lac cubic metres of water – enough for 21 days of production. In Bharuch (Gujarat), the company has installed a water harvesting system that holds 20,000 cubic metres of water and is thus effectively deployed at its caustic soda plant.

Agriculture Extension activities

DSCL has launched a long term integrated rural development program known as Shriram Krishi Vikas Kendras (SKVK's). The program provides farmers with useful scientific knowledge, and adopts villages in order to take care of the needs of the locals by providing.

- Training to villagers in order to create self-reliance for women:
  - o Training in various vocations such as sewing, candle making, food preservation amongst others
  - o Subsidiary occupational training in activities such as fish farming, poultry farming, compost making, dairy farming, mushroom cultivation, etc
- Helping with farming technology, soil and water testing, post harvest management, etc
- Executing health awareness camps for both human as well as animal health, providing hand pumps to supply drinking water in schools and other community facilities, providing water tanks, etc

DSCL's vision is to continue its conscientious efforts for the welfare of the society and it aims for a more progressive and healthier India. Its efforts to enrich the lives of the communities living around its manufacturing units have played an integral part in the betterment of the standard of living of the people. DSCL recognizes and embraces its duties towards society and shall continue to fulfill them.

10

Directors' Report

The Directors have pleasure in presenting the 23rd Annual Report of the Company along with Audited Accounts for the year ended 31st March, 2012.

Financial Highlights

The working results for the year ended 31.3.2012 and 31.3.2011 are as under:

(Rs. in crores)

Particulars	**Standalone**		**Consolidated**	
	31.3.2012	31.3.2011	**31.3.2012**	31.3.2011
Total Income	**4985.59**	4098.71	**5068.28**	4167.83
Profit before depreciation, finance cost, tax and exceptional item	**332.04**	208.09	**364.78**	231.91
Depreciation	**154.07**	157.59	**156.88**	159.98
Finance Cost	**157.56**	101.37	**160.29**	103.92
Profit/(Loss) before tax and exceptional item	**20.41**	(50.87)	**47.61**	(31.99)
Exceptional Item	**(38.06)**	-	**(38.06)**	-
Profit/(Loss) before Tax	**(17.65)**	(50.87)	**9.55**	(31.99)
Provision for Taxation	**(3.39)**	(20.21)	**(2.37)**	(17.72)
Profit/(Loss) after tax	**(14.26)**	(30.66)	**11.92**	(14.27)
Balance brought forward from previous year	**475.91**	505.06	**494.53**	517.17
Net Profit available for appropriation	**461.65**	484.27	**506.45**	502.90
Appropriations				
- Proposed Dividends on Equity Shares (Incl. Interim dividend)	**6.64**	6.64	**6.64**	6.64
- Corporate Dividend Tax	**1.08**	1.08	**2.17**	1.08
- Storage fund for Molasses Account	**0.13**	0.64	**0.13**	0.64
- General Reserve	—	—	2.62	—
- Balance Carried Forward	**453.80**	475.91	**494.89**	494.53

Performance

During the year, the Company recorded better performance as compared to previous year. The net revenues were up by 21% at Rs.5039 crores driven by growth most businesses especially Sugar (up 48%), Bioseed (up 34%), Chloro-Vinyl (up by 25%) and Farm solutions (up by 18%).

PBIT (before exceptional item and tax) was up by 189% at Rs.208 crores. Chloro-Vinyl, Bioseed, Farm solutions and Sugar businesses registered major earnings growth. The Earnings growth was moderated by higher losses in Hariyali business as the company incurred outlet shutdown expenses, MTM Losses etc. The earnings were also moderated by dip in earnings of Fertilizer, Cement and Textile businesses.

The company also had to account for an exceptional item of Rs. 38 crores as differential Cane price for Sugar season 2007-08.

The Finance costs for the year were up by 54% at Rs.160 crores driven mainly by higher average borrowing costs.

The Company also during the year had to account for an exceptional item of Rs.38.1 crores which represents the amount of differential cane price for Sugar season 2007-08 pursuant to the Hon'ble Supreme Court's Order dated 17th January, 2012.

PBT before exceptional item stood at Rs.47.6 crores as against a loss of Rs.32 crores in the previous year.

Net profit for the year stood at Rs.11.9 crores as against a net loss of Rs.14.3 crores.

Dividend

Your Directors are pleased to recommend dividend @ Re.0.40 per Equity Share of Rs.2/- each for the year ended 31st March, 2012.

Subsidiary Companies

In terms of Circular dated 8.2.2011, issued by the Ministry of Corporate Affairs, general exemption has been granted from the provisions of Section 212 of the Companies Act, 1956 to Companies in relation to attaching accounts of its subsidiaries, subject to fulfillment of the conditions mentioned in the circular and necessary conditions as stipulated has been complied with by the Company. The Company will make available these documents upon request by any Member of the Company, interested in obtaining the same and shall also be kept for inspection at the Registered Office of the Company. However, as directed by the Central Government, the financial data of the subsidiaries have been furnished under 'subsidiary companies particulars' forming part of the Annual Report. Further, pursuant to Accounting Standard AS-21 issued by The Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report includes the financial information of its subsidiaries.

Fixed Deposits

As on 31st March, 2012, 66 deposits aggregating to Rs.26.81 lacs were unclaimed. Since then, 10 deposits amounting to Rs.2.48 lacs have been claimed/renewed.

Unclaimed Shares Suspense Account

Pursuant to complying with the requirement of Clause 5A of Listing Agreement, the Company had transferred unclaimed shares into Unclaimed Suspense Account after sending three reminders to those shareholders whose shares are lying as unclaimed.

As on 1st April, 2011, share certificates for 4621 folios aggregating to 7,04,880 shares of Rs.2/- each were unclaimed. As on 31st March, 2012, share certificates for 4568 folios aggregating to 679510 shares of Rs.2/- each were unclaimed. Since then, one share holder holding 50 shares of Rs.2/- each has approached and the same has been transferred.

Corporate Governance

The Company is conscious of its responsibility as a good corporate citizen and is committed to adherence to best corporate governance practices. A separate section 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.

Directors

Shri Vimal Bhandari, Shri Sunil Kant Munjal and Shri D. Sengupta, Directors, retire by rotation and are eligible for re-appointment.

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 has appointed M/s. Bahadur Murao & Co., New Delhi as Cost Auditors for the financial year 2012-13, to audit the cost accounting records for its products namely, Fertilizers, Cement, Caustic Soda and Textiles.

The Company has re-appointed M/s. J.P. Sarda & Associates, Cost Accountants, Kota as Cost Auditors for Sugar and Power selling plants.

The Company has filed Cost Audit Reports for the financial year 2010-11 on 8th September and 10th September, 2011 for its various products, which were due to be filed by 27th September, 2011. The due date of filing Cost Audit Reports for the financial year 2011-12 is 27th September, 2012.

Personnel

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and amendments thereto, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the report and accounts are being sent to all the Members excluding the aforesaid particulars. The complete Annual Report including this statement shall be made available for inspection by any Member during working hours for a period of 21 days before the date of the Annual General Meeting. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

Directors' Responsibility Statement

It is hereby affirmed that

1. in preparation of annual accounts, all applicable accounting standards have been followed,
2. the accounting policies of the Company have been consistently followed. Wherever circumstances demanded, estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period,
3. proper and sufficient care has been taken for maintenance of accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding assets of the Company and proper

internal controls are in place for preventing and detecting frauds and other irregularities, and

4. annual accounts have been prepared on a going concern basis.

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

The information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to these matters is appended hereto and forms part of this report.

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
11th May, 2012

(AJAY S. SHRIRAM)
Chairman & Sr. Managing Director

Annexure to the Directors' Report

Information as required under Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken:

Energy conservation has been an important thrust area of the management and is being continuously monitored. Important specific actions taken during this year are:

- Periodical energy audits, pressure drop reduction measures and optimization of operating parameters have been taken in the Fertilizer plant.
- Reduction in thermal energy consumption in kiln.
- Reduction in energy consumption due to higher fly ash absorption.
- Replacement of high speed hypo circulation pumps with low speed and installation of 26W CFL in place of 125 W MV lamps in Chemical plant at Kota.
- Reducing power consumption by trimming of impeller of hypo circulation pumps.
- Total Quality Management programme was conducted during the year.
- Air heater arrangement at FBD using First vapour instead of live steam.
- Installation of Extra Cooling Tower Pump of 18.5 KW at Cooling Tower for TG sets alternator & lube oil cooling in place of bigger size pumps of 45KW and Raw Juice Heating by using hot condensate in Sugar plants.
- Reduction in specific power consumption by installing VFD in seal air fan and ID fan in power plant and NCZ caustic soda pump in Chemical plant at Bharuch.

(b) Additional investments and proposals being implemented for reduction in consumption of energy:

- Pneumatic pumping of Molasses in place of Motorized pumping arrangement.
- Investment for modification in Melt Pump.
- Replacement of pipelines, tanks & pumps for FC electrolyser to increase operating temperature.

(c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The above mentioned energy consumption measures which have already been undertaken and the measures under implementation will yield savings in energy consumption compared to the past years and will continue to reduce the cost of production. The summarized position of energy reduction achieved is as under:

- Reduction of energy consumption by 0.027 MKcal/MT of urea resulted in an additional saving of Rs.77 lacs.
- Reduction in specific fuel consumption to the extent of 10 Kcal/Kg clinker, which is equivalent to a saving of Rs.28 lacs at Fertilizer plant, Kota.
- Reduction in energy consumption due to higher fly ash absorption in PPC (23.2% against 22.9% in 2010-11) of Rs.36 lacs (approx.) at Fertiliser plant, Kota.
- Reduction of power consumption resulted in saving of Rs.3.3 lacs/year in Chemical plant, Kota.
- Saving in steam and power Consumption in Sugar plants.
- Reduction in specific power consumption resulted in saving of Rs.24.9 lacs/year and expected to save Rs.101 lacs/year from the various measures which are under implementation in Chemical plant, Bharuch.

(d) Total energy consumption and energy consumption per unit of production:

Form A is annexed.

B. TECHNOLOGY ABSORPTION

(a) Efforts made in technology absorption

Form B is annexed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans:

Nil

(b) Total foreign exchange used and earned:

Rs./Crores

	2011-12	2010-11
- Total foreign exchange used	**503.25**	491.35
- Total foreign exchange earned	**21.32**	28.69

FORM A

(See Rule 2)

Form for disclosure of particulars with respect to conservation of energy

	This Year 2011–12	Previous Year 2010–11
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
(a) Purchased		
-- Kwh (in lacs)	**940.3**	599.4
-- Total Cost (Rs./lacs)	**4563.7**	2735.6
-- Rate (Rs./Kwh)	**4.8**	4.6
(b) Own Generation		
(i) Through Diesel Generator		
-- Kwh (in lacs)	**16.25**	45.0
-- Kwh generated per ltr. of Diesel/Furnance Oil	**6.1**	4.0
-- Cost (Rs./Kwh)	**11.7**	15.5
(ii) Through Steam Turbine Generator		
-- Kwh (in lacs)	**13822.1**	14044.6
-- Kwh (in lacs) generated per Kg. of Coal	**1.2**	1.2
-- Cost (Rs./Kwh)	**2.6**	3.5
(iii) Through Steam Turbine Generator (Bagasse)		
-- Kwh (in lacs)	**2691.5**	2263.5
-- Units generated per M.T. of Bagasse	**1320.5**	1270.8
-- Bagasse consumed (M.T./lacs)	**2.0**	6.9
2. Coal		
Quantity (M.T.)	**1312503.4**	1267632.5
Total Cost (Rs./lacs)	**47785.5**	40956.9
Average Rate (M.T.)	**3641.8**	3231.0
3. Furnace Oil		
Quantity (M.T.)	**5188.5**	5614.8
Total Cost (Rs./lacs)	**2206.3**	1651.8
Average Cost (M.T.)	**42522.3**	29418.7

	This Year 2011–12	Previous Year 2010–11
B. CONSUMPTION PER UNIT OF PRODUCTION		
1. Electricity		
— Urea (Kwh/M.T.)	**135.1**	109.2
— PVC Resin/Compounds (Kwh/M.T.)	**405.3**	217.0
— Carbide Packed (T/Ton)	**125.9**	-
— C. Soda, SFC, Kota (Kwh/M.T.)	**135.4**	0.0
— C. Soda, SAC, Bharuch (Kwh/M.T.) - Internal Generation	**2672.0**	2656.0
— Liquid Chlorine (Kwh/M.T.)	**106.0**	112.0
— HCL (Kwh/M.T.)	**1.0**	1.0
— Textiles - Yarn (Kwh/Kg.)	**2.5**	2.3
— Sugar - Ajbapur (Kwh)	**382.3**	355.3
— Sugar - Rupapur (Kwh)	**273.5**	310.7
— Sugar - Loni (Kwh)	**369.8**	366.4
— Sugar - Hariawan (Kwh)	**319.9**	374.2
— Profile - Fenesta Building Systems (Kwh/M.T.)	**783.3**	838.6
2. Coal		
— Urea (M.T./M.T.)	**0.6**	0.5
— PVC Resin (M.T./M.T.)	**5.9**	6.4
— Carbide Packed (T/Ton)	**3.4**	3.5
— C. Soda (M.T./M.T.)	**4.7**	4.6
— Cement (M.T./M.T.)	**0.3**	0.3
— SBP (M.T./M.T.)	**0.2**	0.2
3. Furnace Oil		
— Urea (Kg./Ton)	**11.6**	9.2
— C. Soda, SFC, Kota (Kg./Ton)	**0.1**	0.2
— C. Soda, SAC, Bharuch (Kg./Ton)	**5.0**	13.0
— Cement (Kg./Ton)	**0.1**	0.1
4. Others		
— LDO/HSD - Urea (Ltr./Ton)	**0.4**	7.1
— Steam - C. Soda (M.T./M.T.) - SAC, Bharuch	**1.2**	1.1
— Steam - PVC Compound (M.T./M.T.)	**0.1**	0.1
— Bagasse (M.T.) - Ajbapur	**2.1**	2.1
— Bagasse (M.T.) - Rupapur	**2.0**	2.7
— Bagasse (M.T.) - Loni	**2.2**	2.8
— Bagasse (M.T.) - Hariawan	**2.2**	2.8

Notes:

1. Different sources of energy are inter changeable.
2. Wherever required, figures relating to previous year have been re-arranged.

FORM B

(See Rule 2)

Form for disclosure of particulars with respect to technology absorption

Research and Development (R & D)

1. **Specific areas in which R & D carried out by the Company**
   - R & D studies on concentration of wet sludge, which if successful, will help reduce energy consumption in decanter.
   - Trials carried out to use waste materials such as ESP & Bag house dust.
   - Trails carried out for using alternate fuels in the cement kiln.
   - Briquetting of Carbon fines and lime fines was identified as a major thrust area. Experiments conducted for arriving at adequate operating parameters of Briquetting machines.
   - Air Ejector for syrup sulphitation.
   - Filtration and ion Exchange trials for clear juice.
   - Use of Chemical for heat exchanger cleaning in place of mechanical.
   - Automative profiles; Two wheeler floor mat; and Window beading.
2. **Benefits derived as a result of the above R & D**
   - Use of higher quantities of sludge will reduce use of high grade lime stone, and thermal energy & hence cost.
   - Use of alternate fuel such as tyre waste, pet coke will reduce the cost of fuel & help in ensuring use of waste materials.
   - Use of ESP & bag house dust will reduce the environmental pollution.
   - Successful production of Briquettes having good strength from various types of Carbon fines.
   - Reduction in sulphur consumption.
   - Reduction in final molasses % Cane and colour removal.
   - New product development.
3. **Future plan of action**
   - Sulphur melting by heat generated by Sulphur burning.
   - Use of sumacher filter and anthracite filters for reduction in juice colour.
   - Pilot trial of short retention clarifier with TRD's.
   - Automative profile, extrusion profile, moulding goods and rigid goods.
4. **Expenditure on R & D**

Rs./Lacs

	2011-12	2010-11
a) Capital	Nil	–
b) Revenue	**113.00**	296.00
c) Total	**113.00**	296.00
d) Total R & D expenditure as percentage of total turnover	**0.02**	0.07

Technology absorption, adaptation and innovation

1. **Efforts, in brief, made towards technology absorption, adaptation and innovation**
   - Use of III Vapour for pan boiling.
   - Use of Condensate for heating of air for FBD.
   - Mat Finish in automotive profile and increase line speed at customer end without gloss.
2. **Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.**
   - Conservation of Steam.
   - Product Development.
   - Cost Reduction.
   - Import Substitution.
3. **Details of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) are furnished as under:**

Sugar Plant

a)	Technology Imported	Multi Bed Filtration System and De-sweetening System.
b)	Year of Import	2010-11
c)	Has the technology been fully absorbed?	Yes
d)	If not fully absorbed, reasons therefor and future plans of action	N.A.

Corporate Governance Report 2011-12

(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 31.3.2012, the Board of Directors comprises of an Executive Chairman, four Executive Directors and seven Non-Executive Directors.

During the year, four Board Meetings were held on 6.5.2011, 26.7.2011, 11.11.2011 and 31.1.2012.

The composition of Board of Directors, their attendance at Board Meetings during the year 2011-12 and at the last Annual General Meeting held on 30.8.2011 and also the number of other Directorship and Committee Membership/ Chairmanship as on 31.3.2012 are as follows:

Name of Director	Category of Directorship	No. of Board meetings attended	Attended last AGM	No. of other Directorship #	No. of Committee Membership # #	
					Member	Chairman
Shri Ajay S. Shriram (Promoter)	ED	4	Yes	12	1	-
Shri Vikram S. Shriram (Promoter)	ED	4	Yes	12	-	2
Shri Rajiv Sinha	ED	4	Yes	6	1	-
Shri Ajit S. Shriram (Promoter)	ED	4	Yes	11	1	-
Dr. N.J. Singh	ED	4	Yes	-	-	-
Dr. S.S. Baijal	I-NED	4	Yes	4	-	2
Shri Arun Bharat Ram	I-NED	3	Yes	6	3	-
Shri Pradeep Dinodia	I-NED	4	Yes	8	3	3
Shri Vimal Bhandari	I-NED	2	No	8	4	3
Shri Sunil Kant Munjal	I-NED	3	Yes	12	4	1
Shri D. Sengupta	I-NED	4	Yes	2	1	-
Shri Rajesh Kandwal (LIC Nominee)	I-NED	4	No	-	-	-

\# Excluding Private Limited Companies, Foreign Companies and Companies registered under Section 25 of the Companies Act, 1956.
\# # Includes only Audit Committee and Shareholders/Investors' Grievance Committee.
ED - Executive Director
I-NED - Independent-Non-Executive Director

The ratio between Executive and Non-Executive Directors and Non-Independent and Independent Directors is 5:7.

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.dscl.com).

All Board Members and Senior Management Team have affirmed compliance of Code of Conduct as on 31st March, 2012 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 292A of the Companies Act, 1956, 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 31.3.2012, the Committee comprises of four Independent-Non-Executive Directors. The Committee met six times during the year on 6.5.2011, 26.7.2011, 1.9.2011, 11.11.2011, 31.1.2012 and 5.3.2012 respectively and attendance of the Members at the meetings was as follows:

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

(D) Committee for Determining Remuneration Payable to Managing/Whole Time Directors

(i) Terms of reference

Subject to the provisions of the Companies Act, 1956 and the notifications, if any, issued by the Government thereunder to determine the remuneration, including commission payable to Managing/Whole time Directors.

(ii) Composition

The Committee comprises of three Independent-Non-Executive Directors. The Committee met twice during the year on 6.5.2011 and 6.12.2011 respectively and the attendance of the Members at the meetings was as follows:

Name of Member	Status	No. of meetings attended
Dr. S.S. Baijal	Chairman	2
Shri Pradeep Dinodia	Member	2
Shri D. Sengupta	Member	2

(iii) Remuneration Policy

The policy, inter alia, provides for the following:

a) Executive Directors

- Salary and commission not to exceed limits prescribed under the Companies Act, 1956.
- Revision from time to time depending upon performance of the Company, individual Director's performance and prevailing Industry norms.
- No sitting fees.

b) Non-Executive Directors

- Eligible for commission.
- Sitting fees and commission not to exceed limits prescribed under the Companies Act, 1956.
- The remuneration payable to Non-Executive Directors is decided by the Board of Directors.

(iv) Details of remuneration for the year 2011–12

(a) Executive Directors

(Amount/Rs. Lacs)

Executive Directors	Salary	P.F.	Superannuation	Allowances & Perquisites	Total
Shri Ajay S. Shriram*	84.00	10.08	12.60	83.19	189.87
Shri Vikram S. Shriram*	80.40	9.65	12.06	70.21	172.32
Shri Rajiv Sinha*	74.40	8.93	11.16	74.13	168.62
Shri Ajit S. Shriram**	60.00	7.20	9.00	70.18	146.38
Dr. N.J. Singh***	19.92	2.39	2.99	15.26	40.56

* Re-appointed w.e.f. 1.11.2008 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. 20.11.2007 for a period of 5 years.

I. Provision for incremental gratuity and earned leave for the current year has not been considered, since the provision is based on actuarial basis for the Company as a whole.

II. Notice period for termination of appointment of Managing/Whole Time Directors is six calendar months, on either side.

III. In the event of termination of appointment of Managing/Whole Time Directors, compensation will be in accordance with the provisions of the Companies Act, 1956 or any statutory amendment or re-enactment thereof.

IV. The Company has not offered any stock option to its Executive Directors.

b) Non-Executive Directors

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

The criteria for making payments to Non-Executive Directors is as under:

Sitting fee:

@ Rs.15,000/- per Board meeting

@ Rs.15,000/- per Board Audit Committee meeting, and

@ Rs.7,500/- per Board Committee (other than Board Audit Committee) meeting attended by them.

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 31.3.2012 in the Company are as under:

Name of the Director	Sitting Fee Amount Rs.Lac(s)	No. of Shares held
Dr. S.S. Baijal	2.33	50,000
Shri Arun Bharat Ram	0.90	-
Shri Pradeep Dinodia	2.33	29,270
Shri Vimal Bhandari	0.30	2,000
Shri Sunil Kant Munjal	0.45	-
Shri D. Sengupta	2.03	8,000
Shri Rajesh Kandwal (LIC Nominee)	0.60	-

During the year, the Company has paid Rs.0.61 lac as professional fees to M/s. S.R. Dinodia & Co., a firm in which Shri Pradeep Dinodia, Director of the Company, is a partner.

(E) Shareholders/Investors' Grievance Committee

(i) Terms of reference

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., and

g) 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).

The Company Secretary being Compliance Officer has been 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 nine times on 11.4.2011, 19.5.2011, 20.6.2011, 6.7.2011, 16.8.2011, 30.8.2011, 21.10.2011, 31.1.2012 and 20.2.2012 respectively and the attendance of the Members was as follows:

Name	Status	No. of meetings attended
Shri Pradeep Dinodia	Chairman	9
Dr. S.S. Baijal	Member	4
Shri Ajay S. Shriram	Member	8
Shri Vikram S. Shriram	Member	9

During the year, 63 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 31.3.2012.

(F) General Body Meetings

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2010-11	30.8.2011	10.00 A.M.	Air Force Auditorium, Subroto Park, New Delhi
2009-10	17.8.2010	10.00 A.M.	Air Force Auditorium, Subroto Park, New Delhi
2008-09	11.8.2009	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 2011

- Approval for re-appointment of Shri Ajit S. Shriram as Deputy Managing Director under Sections 269, 309 of the Companies Act, 1956 and other applicable provisions for a period of five years w.e.f. 2.5.2011.
- No resolution was passed through postal ballot during the last financial year.

AGM 2010

- Approval under Section 309 of the Companies Act, 1956 for payment of sum not exceeding 1% per annum of net profits to Non-Executive Directors for a period of five years commencing from 1st April, 2010.
- Approval under Section 314 of the Companies Act, 1956 for appointment of Shri Anand A. Shriram to continue and hold office of Place of Profit.

AGM 2009

- Approval under Section 163 of the Companies Act, 1956 for maintenance of certain Statutory records and copies of the Annual Returns of the Company with M/s. MCS Limited, Registrar and Transfer Agent at F-65, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020.

(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 complying with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has adopted non-mandatory requirements relating to Remuneration Committee.

(iv) 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(V) of the Listing Agreement.

(v) 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.dscl.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 14th August, 2012 at 10.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi.

(ii) Financial Year: April to March.

(iii) Date of book closure: 31st July, 2012 to 7th August, 2012 (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: DCMSRMCONS) 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 2011-12

Equity Share Price on NSE and NIFTY Index

Month	Share Price on NSE		NIFTY Index	
	High	Low	High	Low
2011				
April	49.40	39.65	5944.45	5693.25
May	48.00	40.35	5775.25	5328.70
June	48.80	42.20	5657.90	5195.90
July	59.00	44.10	5740.40	5453.95
August	56.80	42.60	5551.90	4720.00
September	49.80	43.00	5169.25	4758.85
October	51.90	43.50	5399.70	4728.30
November	47.20	39.25	5326.45	4639.10
December	44.40	37.50	5099.25	4531.15
2012				
January	43.95	39.85	5217.00	4588.05
February	45.65	39.95	5629.95	5159.00
March	47.50	40.10	5499.40	5135.95

(vii) Registrar and Share Transfer Agent: M/s. MCS 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 30 days.

(ix) Distribution of Shareholding as on 31.03.2012

No. of Shares	Shareholders	
	Number	% to total no. of Shareholders
Upto - 500	44423	87.19
501 - 1000	3225	6.33
1001 - 2000	1654	3.25
2001 - 3000	553	1.08
3001 - 4000	305	0.60
4001 - 5000	184	0.36
5001 - 10000	294	0.58
10001 - 50000	242	0.47
50001 - 100000	30	0.06
100001 and above	42	0.08
TOTAL	**50,952**	**100.00**

(x) Categories of Shareholders as on 31.03.2012

Category	No. of fully paid up shares held	% share-holding
Promoters, Relatives and Associates	10,14,31,536	61.14
Financial Institutions, Banks and Insurance Companies	1,77,97,027	10.73
Foreign Institutional Investors, Overseas Corporate Bodies and Non-Resident Indians	1,67,94,505	10.12
Mutual Funds	10,85,583	0.65
Bodies Corporate	40,63,395	2.45
General Public	2,47,31,274	14.91
TOTAL	**16,59,03,320**	**100.00**

(xi) Dematerialisation of Equity Shares and liquidity

As on 31.3.2012, of the total eligible Equity Shares, 87.94% were in dematerialised form and the balance 12.06% 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 Kota, Bharuch, Ajbapur, Rupapur, Hariawan, Loni, Tonk, Bhiwadi, Chennai, Hyderabad and Mumbai.

(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 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@mcsdel.com

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

ykgupta@dscl.com / amitmehra@dscl.com

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

Declaration regarding Compliance of Code of Conduct

I, Ajay S. Shriram, Chairman & Senior Managing Director of DCM Shriram Consolidated 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, 2012.

Place : New Delhi
Date : 11th May, 2012

(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 Consolidated Limited

We have examined the compliance of conditions of Corporate Governance by DCM Shriram Consolidated Limited for the year ended March 31, 2012, 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 procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, 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
(Registration No. 015125N)

Jaideep Bhargava
Partner
Membership No. 90295

Place : Gurgaon
Date : 11th May, 2012

Auditors' Report

To the Members of DCM Shriram Consolidated Limited

1. We have audited the attached Balance Sheet of **DCM SHRIRAM CONSOLIDATED LIMITED** ("the Company") as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

   (a) we have 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;

      (ii) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 015125 N)

Jaideep Bhargava
Partner
Membership No.: 90295

Gurgaon
Date : May 11, 2012

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

Having regard to the nature of the Company's business/activities and results for the year, clauses (x), (xiii) and (xiv) of Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the Order) are not applicable.

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the 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.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii) (a) As explained to us, the inventories were 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 explanations 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) On the basis of our examination of the records of inventories, we are of the opinion that, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

(iii) (a) According to the information and explanations given to us, the Company has, during the year, not granted any loan, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956, other than unsecured loans aggregating Rs. 5.89 crores granted during the year to six wholly owned subsidiaries covered in the register maintained under Section 301 of the Companies Act, 1956.

The maximum amount due during the year of above loans was Rs. 80.34 crores and the year end balance of loans so granted was Rs. 77.64 crores. These loans includes interest free loans aggregating Rs. 62.93 crores made to two wholly owned subsidiaries, which, as explained to us, have been made for setting up new projects and making strategic investments in other subsidiaries.

(b) In our opinion and according to the information and explanations given to us, after considering the purpose for which loans have been granted as indicated in paragraph 4(iii)(a) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the Order), the rate of interest and other terms and conditions of the loans granted, are, prima-facie, not prejudicial to the interest of the Company.

(c) 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 4(iii)(a) above, have been regular in repayment of principal amount as stipulated and have been regular in payment of interest where charged.

(d) 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 4(iii)(a) above and interest thereon where charged.

(e) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph (iii)(f) and (g) of the Order are not applicable.

(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 respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

(vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 58A, section 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public. As per information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.

(vii) In our opinion, the internal audit functions carried out during the year by the Company and the firms of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

(ix) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. We are informed that there are no undisputed statutory dues as at the year end outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues of wealth tax, customs duty and cess matters.

According to the information and explanations given to us and the records of the Company examined by us, the details of disputed dues not paid of excise duty, service tax, income-tax and sales tax dues as at March 31, 2012 are as follows:

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that short term funds have not been used to finance long term investments.

(xv) As the Company has not made any preferential allotment of shares during the year, paragraph 4 (xviii) of the Order is not applicable.

(xvi) The Company has not issued any debenture during the year.

(xvii) Since, the Company has not raised any money by way of public issue during the year, paragraph 4 (xx) of the Order is not applicable.

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	3.11	0.07	1995-96, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11
		Central Excise and Service Tax Appellate Tribunal	5.56	1.70	1997-98, 2004-05, 2005-06 2006-07, 2007-08, 2008-09 2009-10, 2010-11
		High Court	2.56	0.06	2006-07, 2007-08, 2008-09, 2009-10, 2010-11
Finance Act, 1994	Service Tax	Appellate authority up to Commissioners' level	0.11	0.01	2007-08, 2008-09, 2009-10 2010-11
		Central Excise and Service Tax Appellate Tribunal	0.26	0.06	2005-06, 2006-07, 2007-08, 2008-09, 2009-10
Income Tax Act, 1961	Income tax	Appellate authority up to Commissioners' level	0.20	0.20	2007-08
Sales Tax Laws	Sales tax	Appellate authority up to Commissioners' level	2.71	0.50	1983-84, 2001-02, 2005-06, 2006-07, 2007-08, 2008-09
		Appellate Tribunal	2.59	0.83	1994-95, 2007-08, 2008-09

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

(x) According to the records of the Company examined by us and the information and explanations given to us, the Company, during the year, has not defaulted in repayment of dues to financial institutions, banks and debenture holders.

(xi) As the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4 (xii) of the Order is not applicable.

(xii) As the Company has not given any guarantees during the year for loans taken by others from banks or financial institutions, paragraph 4(xv) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the term loans taken during the year have been applied for the purpose for which they were obtained, other than temporary deployment pending allocation.

(xviii) To the best of our knowledge 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
(Registration No. 015125 N)

Jaideep Bhargava
Partner
Membership No.: 90295

Gurgaon
Date : May 11, 2012

BALANCE SHEET AS AT MARCH 31, 2012

	Notes	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	**33.34**	33.34
Reserves and surplus	2.2	**1,206.41**	1,228.39
		1,239.75	1,261.73
Non-current liabilities			
Long-term borrowings	2.3	**787.85**	761.94
Deferred tax liablities (net)	2.4	**155.46**	158.85
Other Long-term liabilities	2.5	**7.18**	6.26
Long-term provisions	2.6	**108.60**	99.12
		1,059.09	1,026.17
Current liabilities			
Short-term borrowings	2.7	**827.89**	751.47
Trade payables	2.8	**866.08**	376.82
Other current liabilities	2.9	**510.36**	362.23
Short-term provisions	2.10	**25.17**	23.05
		2,229.50	1,513.57
Total		**4,528.34**	3,801.47
ASSETS			
Non-current assets			
Fixed assets	2.11		
Tangible assets		**1,791.16**	1,903.23
Intangible assets		**9.74**	10.93
Capital work in progress		**27.03**	27.40
Intangible assets under development		**0.39**	0.82
Non-current investments	2.12	**50.44**	50.08
Long-term loans and advances	2.13	**173.09**	155.66
Other non-current assets	2.14	**0.26**	0.32
		2,052.11	2,148.44
Current assets			
Inventories	2.15	**1,301.88**	982.80
Trade receivables	2.16	**664.73**	364.00
Cash and Bank balances	2.17	**228.31**	52.85
Short-term loans and advances	2.18	**251.73**	222.92
Other current assets	2.19	**29.58**	30.46
		2,476.23	1,653.03
Total		**4,528.34**	3,801.47
Significant accounting policies and Notes to the accounts	1 to 20		

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

Jaideep Bhargava
Partner

VIKRAM S. SHRIRAM
Vice Chairman & Managing Director

AJAY S. SHRIRAM
Chairman & Sr. Managing Director

B.L. SACHDEVA
Company Secretary

N.J. SINGH
S.S. BAIJAL
ARUN BHARAT RAM
PRADEEP DINODIA
VIMAL BHANDARI
SUNIL KANT MUNJAL
Directors

AJIT S. SHRIRAM
Dy. Managing Director

RAJIV SINHA
Jt. Managing Director

New Delhi
May 11, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Notes	Year ended March 31, 2012 Rs. Crores	Year ended March 31, 2011 Rs. Crores
Revenue from operations			
Sale of Products		**5,120.82**	4,210.87
Less: Excise duty		**197.15**	144.63
		4,923.67	4,066.24
Other operating revenues	2.20	**32.03**	15.75
		4,955.70	4,081.99
Other income	2.21	**29.89**	16.72
Total Revenue		**4,985.59**	4,098.71
Expenses			
Cost of materials consumed		**1,728.67**	1,289.58
Purchases of Stock-in-Trade		**1,727.21**	1,509.89
Change in inventories of finished goods, Work-in-progress and Stock-in-Trade	2.22	**(327.81)**	(218.90)
Employee benefits expense	2.23	**355.54**	322.90
Finance costs	2.24	**157.56**	101.37
Depreciation and amortisation expense	2.11	**154.07**	157.59
Other expenses	2.25	**1,169.94**	987.15
Total Expenses		**4,965.18**	4,149.58
Profit/(loss) before tax and exceptional item		**20.41**	(50.87)
Exceptional item:			
- Differential cane price 2007-08		**(38.06)**	-
Profit/(loss) before tax		**(17.65)**	(50.87)
Provision for taxation			
Deferred tax		**(3.39)**	(20.21)
Profit/(loss) after tax		**(14.26)**	(30.66)
Earnings per equity share-basic/diluted (Rs.) (refer note 5)			
-Before exceptional item		**0.99**	(1.85)
-After exceptional item		**(0.86)**	(1.85)
Significant accounting policies and Notes to the accounts	1 to 20		

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

Jaideep Bhargava
Partner

B.L. SACHDEVA
Company Secretary

AJIT S. SHRIRAM
Dy. Managing Director

VIKRAM S. SHRIRAM
Vice Chairman & Managing Director

RAJIV SINHA
Jt. Managing Director

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Chairman & Sr. Managing Director

N.J. SINGH
S.S. BAIJAL
ARUN BHARAT RAM
PRADEEP DINODIA
VIMAL BHANDARI
SUNIL KANT MUNJAL
Directors

New Delhi
May 11, 2012

Cash Flow Statement for the year ended March 31, 2012

		Year ended March 31, 2012 Rs. Crores	Year ended March 31, 2012 Rs. Crores	Year ended March 31, 2011 Rs. Crores	Year ended March 31, 2011 Rs. Crores
A.	**Cash flow from operating activities**				
	Net Profit/(loss) before tax and exceptional item		**20.41**		(50.87)
	Adjustments for :				
	Depreciation		**154.07**		157.59
	Loss on sale/write off of fixed assets		**6.05**		2.44
	Finance cost	**157.56**		101.37	
	Less: interest and dividend income	**(23.50)**	**134.06**	(12.46)	88.91
	Operating Profit/(loss) before working capital changes		**314.59**		198.07
	Adjustments for :				
	Trade receivables		**(300.73)**		(141.16)
	Long term loans and advances		**(8.84)**		(6.10)
	Short term loans and advances		**27.55**		(15.30)
	Other current assets		**1.86**		9.14
	Other non current assets		**0.06**		(0.32)
	Inventories		**(319.08)**		(160.16)
	Trade payables		**489.26**		(44.36)
	Long term provisions		**9.48**		10.37
	Short term provisions		**2.12**		4.03
	Other Long term liabilities		**(0.11)**		(0.18)
	Other current liabilities		**124.32**		53.19
	Cash generated from operations		**340.48**		(92.78)
	Income taxes refund		**5.42**		37.10
	Net cash from/(used) in operating activities before exceptional item		**345.90**		(55.68)
	Exceptional item		**(38.06)**		-
	Net cash from/(used) in operating activities		**307.84**		(55.68)
B.	**Cash flow from investing activities**				
	Purchase of fixed assets		**(63.87)**		(82.66)
	Sale of fixed assets		**11.03**		2.37
	Purchase of trade non current investments		**(0.34)**		-
	Purchase of non-trade non current investment		**(0.02)**		(0.51)
	Redemption of non-trade non current investment		-		0.50
	Purchase of non-trade current investments		**(3,970.56)**		(4,975.39)
	Sale of non-trade current investments		**3,970.56**		4,975.39
	Short term Loans and advances to subsidiary companies		**5.53**		(3.88)
	Long term Loans and advances to subsidiary companies		**(0.89)**		(1.59)
	Interest received		**21.41**		15.96
	Dividend received		**1.11**		1.20
	Cash flow used in investing activities		**(26.04)**		(68.61)
C.	**Cash flow from financing activities**				
	Proceeds from Long term borrowings		**113.18**		148.95
	Proceeds from Short term borrowings		**5,054.62**		3,085.74
	Repayment of Long term borrowings		**(161.28)**		(283.23)
	Repayment of Short term borrowings		**(4,902.88)**		(2,826.10)
	Changes in working capital borrowings		**(70.10)**		105.36
	Dividends paid		**(6.64)**		(6.64)
	Corporate dividend tax paid		**(1.08)**		(1.10)
	Finance cost paid		**(132.36)**		(97.86)
	Net cash (used)/ from financing activities		**(106.54)**		125.12
	Net increase in cash and cash equivalents		**175.26**		0.83
	Cash and cash equivalents as at opening*				
	Cash and cheques in hand and balance with banks		**48.25**	46.90	
	Cash and bank balances acquired on amalgamation of erstwhile Shriram Bioseed Genetics India Limited			0.52	47.42
	Cash and cash equivalents as at closing*				
	Cash and cheques in hand and balance with banks		**223.51**		48.25

* excludes Rs. 2.08 crores (2010-11 - Rs.2.24 crores) held in dividend accounts and Rs. 2.72 crores (2010-11 - Rs. 2.36 crore) earmarked for specific purposes

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

Jaideep Bhargava
Partner

VIKRAM S. SHRIRAM
Vice Chairman & Managing Director

AJAY S. SHRIRAM
Chairman & Sr. Managing Director

B.L. SACHDEVA
Company Secretary

N.J. SINGH
S.S. BAIJAL
ARUN BHARAT RAM
PRADEEP DINODIA
VIMAL BHANDARI
SUNIL KANT MUNJAL
Directors

AJIT S. SHRIRAM
Dy. Managing Director

RAJIV SINHA
Jt. Managing Director

New Delhi
May 11, 2012

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

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 and relevant presentational requirements of the Companies Act, 1956.

(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 the straight line method of depreciation in respect of buildings, plant and machinery and written down value method in respect of other assets.

Depreciation is provided at the rates as specified in schedule XIV to the Companies Act, 1956, except in the case of following assets where depreciation is provided at rates indicated against each asset:

	Depreciation Rate
- catalyst tubes	12.50%
- cell units	10.00%
- certain other plant and machinery items	16.67%
- office and other equipments	25.00%

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 (amortisation) on intangibles is provided on straight line method as follows:

- Technical know-how is amortised over its estimated economic useful life of 10 years.

- Brand is amortised over a period of 10 years.

- Software is amortised over a period of 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.

(iv) Inventories

Inventories are valued at lower of cost or net realisable value. The bases 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.
Process stocks 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.

By-products are valued at estimated net realisable value.

(v) Revenue recognition

a) Revenue in respect of sale of products is recognised at the point of despatch to customer.

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 profit and loss account. 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 units.

(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.

2.1 SHARE CAPITAL

		As at March 31, 2012 Rs. Crores		As at March 31, 2011 Rs. Crores
Authorised				
28,49,50,000 (2010-11- 28,49,50,000) Equity shares of Rs.2 each with voting rights		**56.99**		56.99
65,01,000 (2010-11 - 65,01,000) Cumulative redeemable preference shares of Rs.100 each		**65.01**		65.01
		122.00		122.00
Issued				
16,98,03,320 (2010-11 - 16,98,03,320) Equity shares of Rs.2 each with voting rights		**33.96**		33.96
Subscribed and paid up				
16,59,03,320 (2010-11 - 16,59,03,320) Equity shares of Rs. 2 each with voting rights fully called - up	**33.18**		33.18	
Add :- Forfeited shares - Amount originally paid up	**0.16**	**33.34**	0.16	33.34
		33.34		33.34

NOTES:

(i) There is no change in issued, subscribed and paid up share capital during the current year and corresponding previous year

(ii) 8,29,51,660 equity shares of Rs 2 each fully paid up were allotted and issued as bonus shares by capitalisation of Capital Redemption Reserve in 2005-06

	As at 31.03.2012		As at 31.03.2011	
	No. of shares	**%**	**No. of shares**	**%**
(iii) Shares held by the holding company: Sumant Investments Private Limited	**96,178,793**	**57.97%**	-	-
(iv) The shareholders holding more than 5% equity shares are as under:				
Sumant Investments Private Limited	**96,178,793**	**57.97%**	17,926,951	10.81%
Srinagar Holdings Private Limited *	-	-	18,395,260	11.09%
Univenta Holdings Private Limited *	-	-	16,618,900	10.02%
Stellar Enterprises Private Limited *	-	-	12,094,116	7.29%
Hind Industrial Resources Limited *	-	-	8,904,034	5.37%
Life Insurance Corporation of India	**12,863,749**	**7.75%**	12,863,749	7.75%

* Merged with Sumant Investments Private Limited

2.2 RESERVES AND SURPLUS

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Capital reserve:		
Opening Balance	**2.88**	-
Add: Adjustment on merger	-	2.88
	2.88	2.88
Capital redemption reserve	**8.41**	8.41
Securities premium account	**62.76**	62.76
Revaluation reserve		
Opening Balance	-	-
Add: Adjustment on merger	-	0.66
Less: Deduction during the year	-	(0.66)
	-	-
General reserve	**677.79**	677.79
Storage fund for molasses account		
Opening Balance	**0.64**	-
Add: Transferred from statement of profit and loss	**0.13**	0.64
	0.77	0.64
Balance in Statement of Profit and loss		
Opening Balance	**475.91**	505.06
Add: Profit/(loss) during the year	**(14.26)**	(30.66)
Add: Adjustments on merger	-	9.87
Amount available for appropriation	**461.65**	484.27
Appropriations:		
Proposed final dividend on equity shares	**6.64**	6.64
Corporate dividend tax	**1.08**	1.08
Storage fund for molasses account	**0.13**	0.64
	453.80	475.91
	1,206.41	1,228.39

NON-CURRENT LIABILITIES

2.3 LONG-TERM BORROWINGS

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Secured		
Term loans		
From banks [Refer note 11(b)]	**396.95**	362.22
From others [Refer note 11(c)]	**369.64**	376.82
	766.59	739.04

2.3 LONG-TERM BORROWINGS (Continued)

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Unsecured		
Term loans		
From banks	-	0.61
Deposits (Refer note 12)		
Fixed	**3.08**	8.11
Others	**18.18**	14.18
	21.26	22.90
	787.85	761.94

2.4 DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Deferred tax liabilities		
Depreciation	**224.43**	231.55
	224.43	231.55
Deferred tax assets		
Unabsorbed depreciation	**13.23**	24.40
Provision for gratuity and leave encashment	**36.99**	33.21
Provision for doubtful debts and advances	**5.57**	4.15
Others	**13.18**	10.94
	68.97	72.70
	155.46	158.85

2.5 OTHER LONG TERM LIABILITIES

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Ex-gratia payable under voluntary retirement schemes	**0.56**	0.67
Interest accrued but not due on loans and deposits	**6.62**	5.59
	7.18	6.26

2.6 LONG-TERM PROVISIONS

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Provision for employee benefits		
Gratuity	**57.42**	52.65
Compensated absences	**39.09**	34.38
Provision for contingencies	**12.09**	12.09
	108.60	99.12
	1,059.09	1,026.17

CURRENT LIABILITIES

2.7 SHORT-TERM BORROWINGS

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Secured *		
Loans repayable on demand from banks	**38.13**	108.23
others loans and advances from banks	**529.11**	97.56
	567.24	205.79
Unsecured		
Loans repayable on demand		
From banks	**257.65**	542.68
From others	**3.00**	3.00
	260.65	545.68
	827.89	751.47

2.8 TRADE PAYABLES

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Total outstanding dues of micro and small enterprise **	**0.99**	1.23
Total outstanding dues of creditors other than micro and small enterprise @	**865.09**	375.59
	866.08	376.82

2.9 OTHER CURRENT LIABILITIES

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Current maturities of long-term debt (Secured)		
From banks [Refer note 11(b)]	**103.64**	112.64
From others [Refer note 11 (c)]	**60.64**	34.72
Current maturities of long-term debt (Unsecured)		
From banks	**0.61**	0.61
From others ***	**8.76**	7.86
Interest accrured but not due on borrowings	**14.62**	9.75
Advances received from customers	**201.90**	104.01
Unpaid dividends	**1.66**	1.70
Unpaid matured deposits and interest accrued thereon	**0.33**	0.37
Unpaid matured debentures and interest accrued thereon	**0.21**	0.21
Ex-gratia payable under voluntary retirement schemes	**0.12**	0.18
Security deposits	**20.55**	18.03
Statutory dues payable	**81.35**	61.97
Others miscellaneous payable	**15.97**	10.18
	510.36	362.23

2.10 SHORT-TERM PROVISIONS

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Provision for employee benefits		
Gratuity	**10.98**	8.78
Compensated absences	**6.47**	6.55
Proposed dividend	**6.64**	6.64
Corporate dividend tax	**1.08**	1.08
	25.17	23.05
	2,229.50	1,513.57

* Also refer note 11(a)

** Refer note 6

@ includes amount payable to subsidiary Rs. 35.98 crores (2010-11 - 16.49 crores)

*** includes Rs. Nil (2010-11 - Rs. 0.11 crore) received as Fixed deposits u/s 58 A of Companies Act, 1956 from a director and his relative

NON-CURRENT ASSETS

2.11 FIXED ASSETS

Description	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at March 31, 2011	Adjustments on Merger	Additions	Deductions	As at March 31, 2012	Up to March 31, 2011	Adjustments on Merger	For the year	On deductions	Up to March 31, 2012	As at March 31, 2012	As at March 31, 2011
Tangibles												
Land - Freehold	119.63	-	-	2.14	**117.49***	-	-	-	-	-	**117.49**	119.63
- Leasehold	19.21	-	-	-	**19.21**	-	-	-	-	-	**19.21**	19.21
Buildings	411.08	-	5.67	0.21	**416.54**	49.44	-	8.96	0.01	**58.39**	**358.15**	361.64
Leasehold improvements	10.41	-	1.46	3.70	**8.17**	4.90	-	1.99	2.07	**4.82**	**3.35**	5.51
Plant and equipment	2,248.14	-	36.24	16.85	**2,267.53**	907.09	-	126.22	12.71	**1,020.60**	**1,246.93**	1,341.05
Furniture and Fixtures	62.98	-	3.03	13.42	**52.59**	31.42	-	6.06	6.61	**30.87**	**21.72**	31.56
Vehicles	32.32	-	6.72	4.62	**34.42**	15.37	-	5.11	3.36	**17.12**	**17.30**	16.95
Office equipment	24.21	-	2.25	2.35	**24.11**	16.53	-	2.09	1.52	**17.10**	**7.01**	7.68
Sub total (This year)	**2,927.98**	**-**	**55.37**	**43.29**	**2,940.06**	**1,024.75**	**-**	**150.43**	**26.28**	**1,148.90**	**1,791.16**	
Previous year	2,877.64	17.09	51.43	18.18	2,927.98	880.53	4.14	152.63	12.55	1,024.75		1,903.23
Intangibles												
Technical Know how	23.79	-	-	-	**23.79**	19.61	-	1.25	-	**20.86**	**2.93**	4.18
Brand	8.22	-	-	-	**8.22**	5.81	-	0.69	-	**6.50**	**1.72**	2.41
Computer Software	10.62	-	2.52	0.21	**12.93**	6.28	-	1.70	0.14	**7.84**	**5.09**	4.34
Sub total (This year)	**42.63**	**-**	**2.52**	**0.21**	**44.94**	**31.70**	**-**	**3.64**	**0.14**	**35.20**	**9.74**	
Previous year	40.38	0.91	1.34	-	42.63	26.34	0.40	4.96	-	31.70		10.93
Total This year	**2,970.61**	**-**	**57.89****	**43.50**	**2,985.00**	**1,056.45**	**-**	**154.07**	**26.42**	**1,184.10**	**1,800.90**	
Total Previous year	2,918.02	18.00	52.77	18.18	2,970.61	906.87	4.54	157.59	12.55	1,056.45		1,914.16
Capital work in progress											**27.03**	27.40
Intangible assets under development											**0.39**	0.82
											1,828.32	1,942.38

* Includes Rs.0.17 crores (2010-11 - Rs. 0.17 crores) pertaining to land situated at Hardoi pending registration in favour of the Company.

** Includes addition of Rs. 0.02 crore (2010-11 - Rs. Nil) on account of foreign exchange fluctuation

2.12 NON-CURRENT INVESTMENTS

(valued at cost unless there is permanent fall in value thereof)

	As at March 31, 2012 Rs. Crores		As at March 31, 2011 Rs. Crores	
(a) TRADE INVESTMENTS				
Investment in Equity Instruments				
- Subsidiaries				
Unquoted				
11,74,551 (2010-11 - 11,74,551) Equity shares of US $ 1 each fully paid-up of Bioseeds Limited.	**14.41**		14.41	
10,00,000 (2010-11 - 10,00,000) Equity shares of Rs. 10 each fully paid up of Hariyali Rural Ventures Limited	**1.00**		1.00	
50,000 (2010-11 - 50,000) Equity shares of Rs. 10 each fully paid up of Fenesta India Limited	**0.05**		0.05	
40,50,000 (2010-11- 40,50,000) Equity shares of Rs. 10 each fully paid up of Shriram Bioseed Ventures Limited	**20.05**		20.05	
37,424 (2010-11- 37,424) Equity shares of Rs. 100 each fully paid up of Bioseed Research India Private Limited	**4.06**		4.06	
17,50,280 (2010-11- 17,50,280) Equity shares of 10 each fully paid up of Shri Ganpati Fertilizer Limited # (Re. 1)	**#**	**39.57**	#	39.57
- Others				
Unquoted				
11,32,134 (2010-11 - 7,95,009) Equity shares of Rs. 10 each fully paid up of Narmada Clean Tech Ltd (Formerly Bharuch Eco Aqua Infrastructure Limited) 3,37,125 (2010-11 -Nil) Equity shares acquired during the year	**1.13**		0.79	
45,50,000 (2010-11 - 45,50,000) Equity shares of Rs. 10 each fully paid up of Forum I Aviation Private Limited.	**4.55**	**5.68**	4.55	5.34
(b) OTHER INVESTMENTS				
(i) Investment in Equity Instruments				
- Subsidiaries				
Unquoted				
60,01,208 (2010-11 - 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 (2010-11 - 83,51,207) Equity shares of Rs. 10 each fully paid-up of DCM Shriram Aqua Foods Limited.	**4.22**		4.22	
200,000 (2010-11 - 2,00,000) Equity shares of Rs. 10 each fully paid up of DCM Shriram Energy and Infrastructure Limited	**0.20**		0.20	
Less: Provision for diminution in value of investment	**(0.20)**		(0.20)	
50,000 (2010-11 - 50,000) Equity shares of Rs. 10 each fully paid up of SBM Yarn Limited	**0.05**		0.05	

2.12 NON-CURRENT INVESTMENTS (Continued)

	As at March 31, 2012 Rs. Crores		As at March 31, 2011 Rs. Crores	
50,000 (2010-11 - 50,000) Equity shares of Rs. 10 each fully paid up of Shridhar Shriram Foundation	**0.05**		0.05	
50,007 (2010-11 - 50,007) Equity shares of Rs. 10 each fully paid up of Bioseed India Limited	**0.05**		0.05	
5,00,000 (2010-11 - 5,00,000) Equity shares of Rs. 10 each fully paid up of Hariyali Insurance Broking Limited	**0.50**	**5.09**	0.50	5.09
(ii) Investment in Government securities				
Unquoted				
National savings certificates		**0.10**		0.08
TOTAL:		**50.44**		50.08
Aggregate book value:				
- Unquoted		**50.44**		50.08
Aggregate provision for diminution in value of investments		**0.20**		0.20

2.13 Long-term loans and advances

(Unsecured considered good unless otherwise stated)

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Capital advances	**11.27**	3.57
Security deposits $	**64.46**	54.56
Loans and advances to subsidiary companies$	**62.93**	62.04
Employee loans and advances	**3.35**	3.45
MAT credit entitlement	**26.16**	26.16
Others loans and advances	**4.92**	5.88
	173.09	155.66

2.14. Other non-current assets

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Fixed Deposits with banks (Earmarked)	**0.26**	0.32
	0.26	0.32

$ Refer note 7

CURRENT ASSETS

2.15 INVENTORIES *

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Raw materials	**35.37**	52.01
Work-in-progress	**28.57**	21.48
Finished goods	**985.60**	669.75
Stock-in-trade	**152.19**	147.32
Stores and spares	**100.15**	92.24
	1,301.88	982.80

2.16 TRADE RECEIVABLES **

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Outstanding for a period exceeding six months from due date for payment		
Secured - considered good	**0.06**	0.08
Unsecured - considered good	**63.34**	66.77
- considered doubtful	**12.54**	8.59
	75.94	75.44
Less: Provision for doubtful receivables	**12.54**	8.59
	63.40	66.85
Others		
Secured - considered good	**0.77**	8.44
Unsecured - considered good	**600.56**	288.71
	664.73	364.00

2.17 CASH AND BANK BALANCES

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Cash and cash equivalents		
Balances with banks on		
- current accounts $	**168.29**	48.99
- deposit accounts#	**26.93**	1.12
Cheques on hand	**5.27**	-
Cash on hand	**1.52**	1.50
Other bank balances		
- deposit accounts#	**26.30**	1.24
	228.31	52.85

2.18 SHORT-TERM LOANS AND ADVANCES

(Unsecured Considered good unless otherwise stated)

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Advances recoverable in cash or in kind or for value to be received		
Considered good ##	**195.52**	152.37
Considered doubtful	**3.21**	3.35
	198.73	155.72
Less: Provision for doubtful advances	**3.21**	3.35
	195.52	152.37
Loans and advances to subsidiary companies $$	**32.31**	37.84
Employee loans and advances	**3.69**	4.66
Deposits	**2.53**	0.87
Balances with customs, excise etc.	**13.40**	17.54
Tax payments (net of provision of current tax)	**4.28**	9.64
	251.73	222.92

2.19 OTHER CURRENT ASSETS

(Unsecured Considered good unless otherwise stated)

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Considered good	**11.55**	14.44
Considered doubtful	**0.85**	0.85
	12.40	15.29
Less: Provision for doubtful claims	**0.85**	0.85
	11.55	14.44
Unbilled revenue	**11.11**	12.66
Interest accrued on investments, deposits etc.	**4.18**	3.20
Assets held for disposal	**2.74**	0.16
	29.58	30.46
	2,476.23	1,653.03

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

** includes amount due from subsidiaries Rs.14.47 crores (2010-11 - Rs. 11.89 crores)

$ Includes Rs. 2.08 crores (2010-11 - Rs.2.24 crores) balances with banks earmarked for unpaid dividends, debenture interest etc.

\# Includes Rs. 53.23 crores (2010-11 - Rs. 2.36 crores) earmarked for specific purposes

\## Includes Rs. 0.28 crores (2010-11 - Rs. Nil) advance to a director and his relative (refer note 9)

$$ Refer note 7 and note 9

2.20 OTHER OPERATING REVENUES

	Year ended March 31, 2012 Rs. Crores	Year ended March 31, 2011 Rs. Crores
Income from services	0.51	-
Rent	1.08	1.37
Liabilities/provisions no longer required written back	6.96	1.25
Scrap sale and other miscellaneous income	23.48	13.13
	32.03	15.75

2.21 OTHER INCOME

	Year ended March 31, 2012 Rs. Crores	Year ended March 31, 2011 Rs. Crores
Interest income #	22.39	11.26
Dividend income on non-trade current investments	1.11	1.20
Rent	3.92	3.99
Miscellaneous income	2.47	0.27
	29.89	16.72

Income-tax deducted at source -Rs. 1.34 crores (2010-11 - Rs.0.83 crore)

2.22 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2012 Rs. Crores	Year ended March 31, 2011 Rs. Crores
Closing stock	1,166.36	838.55
Less: Stock transferred from Shriram Bioseed Genetics India pursuant to Scheme of Arrangement	-	57.10
Adjusted Closing stock	1,166.36	781.45
Less: Opening stock	838.55	562.55
	(327.81)	(218.90)

2.23 EMPLOYEE BENEFITS EXPENSES

	Year ended March 31, 2012 Rs. Crores	Year ended March 31, 2011 Rs. Crores
Salaries, wages, bonus, gratuity, commission, etc.	315.89	287.76
Provident and other funds	21.89	20.01
Welfare	17.76	15.13
	355.54	322.90

2.24 FINANCE COSTS

	Year ended March 31, 2012 Rs. Crores	Year ended March 31, 2011 Rs. Crores
Interest expense	**105.98**	63.77
Other borrowing costs	**3.43**	3.15
Net loss on foreign currency transactions and translation	**48.15**	34.45
	157.56	101.37

2.25 OTHER EXPENSES

	Year ended March 31, 2012 Rs. Crores	Year ended March 31, 2011 Rs. Crores
Consumption of stores and spare parts	**209.14**	169.77
Power, fuel etc	**565.94**	462.77
Rent	**27.00**	25.10
Repairs		
Buildings	**7.86**	7.60
Plant and machinery	**27.77**	21.34
Donation	**0.19**	0.11
Insurance	**8.85**	8.55
Rates and taxes	**2.70**	2.55
Auditors' remuneration		
Audit fee	**0.60**	0.58
Tax audit	**0.07**	0.07
Limited reviews	**0.35**	0.32
Other services	**0.61**	0.81
Out-of-pocket expenses	**0.04**	0.05
Directors' fees	**0.09**	0.09
Bad debts and advances written off	**0.13**	-
Provision for doubtful debts and advances	**4.38**	1.95
Freight and transport	**51.70**	40.74
Commission to selling agents	**4.78**	3.35
Brokerage, discounts (other than trade discounts), etc.	**4.26**	4.92
Selling expenses	**59.96**	56.09
Exchange fluctuation	**(9.51)**	(3.91)
Royalty	**87.42**	68.56
Loss on sale/write off of fixed assets	**6.05**	2.44
Increase/(decrease) in excise duty on finished goods	**6.18**	9.96
Miscellaneous expenses	**103.47**	103.42
	1,170.03	987.23
Less:- Cost of own manufactured goods capitalised	**(0.09)**	(0.08)
	1,169.94	987.15

		This Year (Rs. Crores)	Previous Year (Rs. Crores)
2. (i)	**Contingent liabilities not provided for:**		
	Claims* (excluding claims by employees where amount not ascertainable) not acknowledged as debts:		
	Sales tax matters	**1.36**	1.36
	Excise matters	**2.12**	2.17
	Additional premium on land	**8.11**	8.11
	Others	**5.91**	6.01
	Total	**17.50**	17.65

* 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.

		This Year (Rs. Crores)	Previous Year (Rs. Crores)
(ii)	Capital commitments (net of advances)	**5.76**	20.73
(iii)	Guarantees given to financial institutions, banks and other parties in respect of loans availed by subsidiaries and other parties:		
	Amount guaranteed	**5.07**	5.07
	Amount of loans outstanding	**3.22**	1.74

3. In accordance with past practice, the Company has taken revenue credits aggregating Rs 9.15 crores (2010-11 - Rs. 27.00 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

4. Segment reporting

A. Business segments:

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting" notified under Companies (Accounting Standard) Rules, 2006, the Company's business segments include: Fertilisers (manufacturing of urea), Chloro-Vinyl (manufacturing of poly-vinyl chloride, carbide and chlor alkali products), Farm solutions (trading of di-ammonium phosphate, murite 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 and agri businesses), Bioseed (production of hybrid seeds), Others (UPVC window systems, textiles, plaster of paris and compounds). 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 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		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)	500.79	467.48	1074.14	910.70	180.09	101.72	928.64	640.70	846.92	762.92	1055.58	844.31	160.33	139.36	374.33	343.68			5120.82	4210.87
Other Operating Income	4.96	3.92	0.78	-	1.02	1.16	13.67	1.22	3.34	5.27	6.52	2.82	0.38	0.38	1.36	0.98			32.03	15.75
Inter segment sales			12.78	13.03	126.94	119.26	6.03	0.86	3.15	5.80	53.46	37.38		-	0.33	0.01	202.69	176.34		
Total revenue	505.75	471.40	1087.70	923.73	308.05	222.14	948.34	642.78	853.41	773.99	1115.56	884.51	160.71	139.74	376.02	344.67	202.69	176.34	5152.85	4226.62
2. RESULTS																				
Segment results	20.03	29.30	58.08	43.71	31.61	16.29	30.63	(7.12)	(105.22)	(83.10)	178.18	93.35	15.06	16.41	(15.94)	(9.82)			212.43	99.02
Unallocated expenses (net of income)																			34.46	48.52
Operating Profit/(loss)	20.03	29.30	58.08	43.71	31.61	16.29	30.63	(7.12)	(105.22)	(83.10)	178.18	93.35	15.06	16.41	(15.94)	(9.82)			177.97	50.50
Interest expense and finance cost																			157.56	101.37
Profit/(loss) before tax and exceptional item																			20.41	(50.87)
Exceptional item - Differential cane price 2007-08																			38.06	-
Profit/(loss) before tax																			(17.65)	(50.87)
Provision for taxation																			(3.39)	(20.21)
Net Profit/(loss)																			(14.26)	(30.66)
3. OTHER INFORMATION																				
A. ASSETS																				
Segment assets	341.39	257.07	439.42	173.68	289.29	141.93	1595.78	1381.06	433.82	480.78	779.92	821.69	47.44	48.07	259.50	273.48			4186.56	3577.76
Unallocated assets																			341.78	223.71
Total assets	341.39	257.07	439.42	173.68	289.29	141.93	1595.78	1381.06	433.82	480.78	779.92	821.69	47.44	48.07	259.50	273.48			4528.34	3801.47
B. LIABILITIES																				
Segment liabilities	77.76	75.56	211.91	72.96	210.16	127.70	467.72	156.41	47.55	37.65	197.03	99.99	22.32	19.50	39.22	44.59			1273.67	634.36
Share capital and reserves																			1239.75	1261.73
Secured and unsecured loans																			1789.78	1669.68
Unallocated liabilities																			225.14	235.70
Total liabilities	77.76	75.56	211.91	72.96	210.16	127.70	467.72	156.41	47.55	37.65	197.03	99.99	22.32	19.50	39.22	44.59			4528.34	3801.47
C. OTHERS																				
Capital expenditure	9.49	4.72	-	-	0.61	1.55	10.17	11.71	5.59	4.41	21.98	14.17	4.92	3.14	10.27	15.47				
Depreciation	10.56	10.71	0.01	0.02	0.75	1.02	45.62	45.50	13.58	14.37	67.07	68.40	2.19	2.18	12.08	12.92				
Non cash expenses other than depreciation			0.33	-	3.35	1.38		0.16	6.14	0.08					1.74	0.22				

5. Earnings per share:

	This year	Previous year
Profit/(Loss) after tax and exceptional item (Rs. Crores)	**(14.26)**	(30.66)
Exceptional item net of taxes of Rs. 7.31 crores (Rs. Crores)	**(30.75)**	-
Profit/(Loss) after tax but before exceptional item (Rs. Crores)	**16.49**	(30.66)
Weighted average number of equity shares outstanding	**16,59,03,320**	16,59,03,320
Basic and diluted earnings per share in rupees (face value – Rs.2 per share) :		
- Before exceptional item	**0.99**	(1.85)
- After exceptional item	**(0.86)**	(1.85)

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. 0.95 crores (2010-11 - Rs. 1.23 crores) and Rs. 0.04 crores (2010-11 - Rs. #) respectively.
Rs. 17,781

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

	Amount outstanding as at year end		Maximum amount outstanding during the year	
Name of the party	**This year (Rs. Crores)**	Previous year (Rs. Crores)	**This year (Rs. Crores)**	Previous year (Rs. Crores)
1. DCM Shriram Credit and Investments Limited	**6.13**	8.76	**8.76**	9.25
2. DCM Shriram Aqua Foods Limited	**0.23**	0.18	**0.23**	0.18
3. DCM Shriram Infrastructure Limited	**27.70**	27.00	**27.70**	27.00
4. Shriram Bioseed Ventures Limited	**43.44**	37.98	**43.44**	38.00
5. Shri Ganpati Fertilizers Limited	**17.60**	25.92	**35.63**	27.88
6. Hariyali Rural Ventures Limited	**28.53**	32.31	**32.33**	33.56
7. Hariyali Rural Foundation	**0.01**	0.04	**0.04**	0.04
8. DCM Shriram Energy and infrastructure Limited	**0.01**	-	**0.01**	-
9 Hariyali Insurance Broking Limited	**0.12**	-	**0.16**	-
10. DCM Shriram Thermal Energy Ltd	**$**	-	**$**	-
11. DCM Shriram Hydro Energy Ltd	**#**	-	**#**	-
Total	**123.77**	132.19		

$ Rs. 35,000 & # Rs. 15,000

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

Particulars	**This Year Rs. Crores**	Previous Year Rs. Crores
Consumption of Stores and spares parts	-	0.02
Salaries, wages, bonus, gratuity etc.	**0.49**	0.40
Provident and other funds	**0.05**	0.02
Welfare	-	0.01
Rent	**0.01**	0.02
Freight and transport	-	0.01
Exchange fluctuation	-	-
Miscellaneous expenses	**2.62**	0.49
	3.17	0.97
Add: Brought forward from the previous year	**3.16**	2.33
Less: Capitalised during the year	**0.19**	0.14
Transferred to capital work-in-progress	**6.14**	3.16

9. Related party disclosures under Accounting Standard AS-18 "Related Party Disclosures" notified under Companies (Accounting Standard) Rules, 2006:

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

Holding company: Sumant Investments Private Limited

Subsidiaries: DCM Shriram Credit and Investments Limited, Bioseed India Limited, DCM Shriram Infrastructure Limited, DCM Shriram Thermal Energy Limited, Hariyali India Limited, DCM Shriram Aqua Foods Limited, Hariyali Rural Foundation, Hariyali Rural Ventures Limited, Hariyali Insurance Broking Limited, DCM Shriram Energy and Infrastructure Ltd., DCM Shriram Hydro Energy Limited, SBM Yarn Limited, Fenesta India Limited, Shri Ganpati Fertilizers Limited, Shriram Bioseed (Thailand) Limited, Bioseeds Limited, Bioseed Research Philippines Inc., Bioseeds Holdings PTE. Limited, Bioseed Vietnam Limited, Bioseed Research India Private Limited, Shriram Bioseed Ventures Limited, Shriram Bioseeds Limited, Zeus Investments Limited, Shridhar Shriram Foundation, PT Shriram Seed Indonesia *

* from current year

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. 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), M/s. Ajay S. Shriram (HUF), M/s. Vikram S. Shriram (HUF)

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.	Hariyali Rural Foundation	DCM Shriram Thermal Energy Ltd.	Bioseed Vietnam Ltd.	Bioseed Research Philippines Ltd.	Hariyali Insurance Broking Ltd.	Bioseed Research India Pvt. Ltd.	DCM Shriram Hydro Energy Ltd	Fenesta India Ltd	Key managerial personnel, their relatives and their HUF	Total
Sale of finished and other goods						0.02 (0.02)				11.00 (6.31)	2.51 (5.51)				3.67 (-)		17.20 (11.84)
Interest income	0.83 (0.55)			0.61 (0.18)		1.90 (1.16)											3.34 (1.89)
Expenses recovered					0.01 (0.01)	- -		0.07 (0.01)				0.03 (-)					0.11 (0.02)
Purchases of finished goods						41.58 (27.08)											41.58 (27.08)
Rent paid					0.01 (0.01)											5.05 (4.17)	5.06 (4.18)
Rent received												0.01 (0.01)					0.01 (0.01)
Security deposits given					0.36 (0.08)												0.36 (0.08)
Fixed deposit repaid																0.11 (-)	0.11 (-)
Security deposits received back																0.07 (0.07)	0.07 (0.07)
Shares acquired					- (0.50)												- (0.50)
Compensation paid					4.14 (0.82)												4.14 (0.82)
Remuneration																7.57 (6.87)	7.57 (6.87)
Collection charges received								- (0.01)				0.01 (-)					0.01 (0.01)
Loans and advances given (net)	- (2.49)	0.05 (0.05)	0.70 (1.11)	5.46 (1.64)		- (6.16)	0.01 (-)	- (0.01)	$ (#)			0.07 (-)		$ (-)		0.28 (-)	6.57 (11.46)
Loans and advances received back (net)	2.63 (-)					8.32 (-)		0.03 (-)								(-)	10.98 (-)
Royalty													51.37 (33.36)				51.37 (33.36)
Balance outstanding as at the year end																	
Security deposits receivable					28.53 (32.31)											8.81 (8.88)	37.34 (41.19)
Fixed deposits																- (0.11)	- (0.11)
Loans and advances	6.13 (8.76)	0.23 (0.18)	27.70 (27.00)	43.44 (37.98)		17.60 (25.92)	0.01 (-)	0.01 (0.04)	$$ (#)			0.12 (-)		$ (-)		0.28 (-)	95.52 (99.88)
Debtors										10.31 (4.48)	3.29 (7.41)				0.87 (-)		14.47 (11.89)
Creditors													35.98 (16.49)				35.98 (16.49)
Loans outsatnding in respect of guarantee given													3.07 (1.42)				3.07 (1.42)

Figures in bracket denotes previous year figures

(#) Rs. 20000

$ Rs. 15000

$$ Rs. 35000

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

Rs. in crores

Nature of the transaction	Name	This year	Previous year
Rent paid	M/s. Ajay S. Shriram (HUF)	**1.45**	1.26
	M/s. Vikram S. Shriram (HUF)	**1.27**	1.05
	M/s. Ajit S. Shriram (HUF)	**1.28**	1.11
	Mr. Rajiv Sinha	**0.45**	0.30
	Relatives of Key management personnel	**0.60**	0.45
		5.05	4.17
Security deposits received back	Mr. Rajiv Sinha	**0.04**	0.04
	Relatives of Key management personnel	**0.03**	0.03
		0.07	0.07
Loans and advances	Mr. Rajiv Sinha	**0.14**	-
	Relatives of Key management personnel	**0.14**	-
		0.28	-
Remuneration	Mr. Ajay S. Shriram	**1.90**	1.79
	Mr. Vikram S. Shriram	**1.72**	1.69
	Mr. Ajit S. Shriram	**1.46**	1.38
	Mr. Rajiv Sinha	**1.69**	1.30
	Mr. N.J Singh	**0.41**	0.36
	Relatives of Key management personnel	**0.39**	0.35
		7.57	6.87

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	**15.50**	14.16
- Employers' contribution to superannuation fund	**6.39**	5.85
- Employers' contribution to employees' state insurance corporation	**0.47**	0.67

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)		Compensated absences: 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%**	8%	-	-	-	-
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	**4.26**	3.38	**3.02**	2.95	**1.58**	1.21
Interest cost	**5.07**	4.37	**2.09**	1.66	**1.39**	1.16
Expected return on plan assets	**(0.05)**	(0.04)	-	-	-	-
Net actuarial (gain) / loss recognised in the year	**3.37**	4.56	**1.67**	2.28	**(1.16)**	(0.61)
Past service cost	-	0.70		-	-	-
Total expense	**12.65**	12.97	**6.78**	6.89	**1.81**	1.76
II. Net asset/(liability) recognised in the balance sheet						
Present value of Defined benefit obligation	**69.03**	61.90	**27.95**	25.13	**17.61**	15.80
Fair value of plan assets	**0.63**	0.47	-	-	-	-
Funded status [(deficit)]	**(68.40)**	(61.43)	**(27.95)**	(25.13)	**(17.61)**	(15.80)
Net asset/(liability)	**(68.40)**	(61.43)	**(27.95)**	(25.13)	**(17.61)**	(15.80)
Non-current liability	**(57.42)**	(52.65)	**(26.03)**	(22.36)	**(13.06)**	(12.02)
Current liability	**(10.98)**	(8.78)	**(1.92)**	(2.77)	**(4.55)**	(3.78)
III. Change in the present value of obligation during the year						
Present value of obligation as at the beginning of the year	**61.90**	53.28	**25.13**	20.81	**15.80**	13.87
Interest cost	**5.07**	4.37	**2.09**	1.66	**1.39**	1.16
Current service cost	**4.26**	3.38	**3.02**	2.95	**1.58**	1.21
Benefits paid	**(5.57)**	(4.78)	**(3.96)**	(3.15)	-	-
Actuarial (gains) / losses on obligation	**3.37**	4.56	**1.67**	2.28	**(1.16)**	(0 .61)
Transfer from SBGIL pursuant to amalgamation $	-	0.39	-	0.58	-	0.17
Past service cost	-	0.70	-	-	-	-
Present value of obligation as at the end of the year	**69.03**	61.90	**27.95**	25.13	**17.61**	15.80
IV. Change in the fair value of assets during the year						
Fair value of plan assets at the beginning of the year	**0.48**	0.34	-	-	-	-
Expected return on plan assets	**0.04**	0.04	-	-	-	-
Employer contribution	**0.12**	0.16	-	-	-	-
Actual benefits paid	**(0.02)**	(0.07)	-	-	-	-
Actuarial gain/(loss) on plan assets	**0.01**	-	-	-	-	-
Fair value of plan assets at the end of the year	**0.63**	0.47	-	-	-	-
Actual return on plan assets	-	-	-	-	-	-

*LIC (1994-96) duly modified

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.

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

Particulars	2011-12			2010-11			2009-10			2008-09			2007-08		
	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	**69.03**	**27.95**	**17.61**	61.90	25.13	15.80	53.28	20.81	13.87	46.70	17.57	12.33	40.54	14.83	11.03
Fair value of plan assets at the end of the year	**0.63**	-	-	0.47	-	-	-	-	-	-	-	-	-	-	-
Net liability recognised in balance sheet	**(68.40)**	**(27.95)**	**(17.61)**	(61.43)	(25.13)	(15.80)	(53.28)	(20.81)	(13.87)	(46.70)	(17.57)	(12.33)	(40.54)	(14.83)	(11.03)
Net actuarial (gain)/ loss recognised	**3.37**	**1.67**	**(1.16)**	4.56	2.28	(0.61)	2.17	1.12	(0.65)	2.08	0.80	(0.65)	2.51	0.15	(0.45)

11. Secured loan

a.	**Short term working capital borrowings from banks:**	
1.	Loans from banks on cash credit account of Rs. 36.77 Crores (2010-11 - Rs. 107.55 Crores) are secured by first pari passu charge on whole of the current assets of the company (except Shriram Bioseed Genetics, Hyderabad), both present and future. 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. Amount of Rs. 1.36 Crores (2010-11- Rs. 0.68 Crore) is secured by exclusive charge by way of hypothecation on current assets and mortgage/hypothecation on the immovable and movable properties, both present and future of the Company's undertakings at Shriram Bioseed Genetics, Hyderabad.	
2.	Short Term Loan of Rs 529.11 Crores (2010-11- Rs. 97.56 Crores) are secured by first pari passu charge on whole of the current assets of the Company (except Shriram Bioseed Genetics, Hyderabad), both present and future 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.	**Long term loans from banks:**	
	Nature of Security	**Terms of Repayment**
1.	Term loans of Rs. 151.32 Crores (2010-11- Rs. 141.89 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 undertakings at Jhagadia, Distt Bharuch, Gujarat (Rs. 8.84 Crores due within 1 year; 2010-11-Nil)	- Rs. 75 Crores repayable in 12 Semi-Annual Installments - Rs. 76.32 Crores repayable in 10 Semi-Annual Installments
2.	Term loans of Rs. 58.07 Crores (2010-11- Rs. 96.72 Crores) are secured by way of first pari passu mortgage/charge created on immovable/ movable fixed asset both present and future, of the Company's undertakings at Kota, Rajasthan (Rs. 42.07 Crores due within 1 year; 2010-11-Rs. 43.15 Crores)	-Rs. 24 Crores repayable in 6 Equal Semi-Annual Installments. -Rs. 3.21 Crores repayable in 2 equal Quarterly Installments -Rs. 30.86 Crores repayable in 3 equal Quarterly Installments
3.	Term loan of Rs. 76.53 Crores (2010-11- Rs. 110.70 Crores) is secured by way of first pari passu mortgage/charge created on immovable/ movable assets and book debts, both present and future, subject to any prior charges created in favour of the Company's bankers on the current assets for securing working capital borrowings pertaining to the Company's Ajbapur Sugar Complex, Uttar Pradesh and Hariawan Sugar Complex, Uttar Pradesh in equal proportion (Rs. 51.02 Crores due within 1 year; 2010-11-Rs. 44.27 Crores)	-Rs. 76.53 Crores repayable in 3 Equal Semi-Annual Installments

11. Secured loan (Continued)

	Nature of Security	Terms of Repayment
4.	Term loan of Rs. 101.76 Crores (2010-11- Rs. 89.19 Crores) is secured by way of first mortgage/charge created on immovable/movable assets, both present and future, subject to prior charges created in favour of Company's bankers on current assets for securing working capital borrowings, both present and future, pertaining to the Company's Loni Sugar Complex, Uttar Pradesh (Rs. Nil due within 1 year; 2010-11-Rs. Nil)	-Rs. 101.76 Crores repayable in 6 Equal Semi-Annual Installments starting from June 2013.
5.	Term Loan of Rs. 11.15 Crores (2010-11- Rs 12.86 Crores) is secured by way of equitable mortgage of Land/Building, both present and future, of SBM unit of the Company at Tonk, Rajasthan (Rs. 1.71 Crores due within 1 year; 2010-11-Rs. 1.71 Crores)	-Rs. 11.15 Crores repayable in 13 Equal Semi-Annual Installments
6.	Term Loans of Rs. 76.32 Crores (2010-11-Rs. Nil) & Rs. 25.44 Crores (2010-11-Rs. Nil) are secured by way of equitable mortgage/charge to be created on Immovable Properties of the Sugar Units located at Ajbapur Sugar Complex, Uttar Pradesh and Loni Sugar Complex, Uttar Pradesh respectively (Rs. Nil Due within 1 year; 2010-11- Rs. Nil)	-Rs. 101.76 Crores repayable in 8 Semi Annual Installments starting from October 2014
7.	Term loan of Rs. Nil Crores (2010-11- Rs. 23.51 Crores) is secured by way of residual mortgage/charge created on immovable/movable fixed assets, both present and future pertaining to the four sugar units of the Company, ie. Ajbapur Sugar Complex, Uttar Pradesh, Rupapur Sugar Complex, Uttar Pradesh, Hariawan Sugar Complex, Uttar Pradesh & Loni Sugar Complex, Uttar Pradesh (Rs. Nil due within 1 year; 2010-11- Rs. 23.51 Crores due within 1 year)	
c.	**Long term loans from others:**	
1.	Term loans of Rs. 4.50 Crores (2010-11 - Rs. 9.00 Crores) & Rs. 3.00 Crores (2010-11-Rs. Rs. 6.00 Crores) are secured by way of first pari passu mortgage on immovable properties and first charge by way of hypothecation of all movables (save and except book debts), both present and future, subject to prior charges created in favour of the Company's bankers on the current assets for securing working capital borrowings of the Company's undertakings at Kota, Rajasthan and Jhagadia, Distt Bharuch, Gujarat respectively (Rs. 7.50 Crores due within 1 year; 2010-11-Rs. 7.50 Crores)	-Rs. 7.50 Crores repayable in 1 Annual Installment
2.	Term loan of Rs. 254.40 Crores (2010-11- Rs. 222.98 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. 19.58 Crores due within 1 year; 2010-11-Rs. Nil)	-Rs. 254.40 Crores repayable in 13 equal Semi-Annual Installments Starting from December 2012
3.	Term loan of Rs. 71.23 Crores (2010-11- Rs 80.27 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. 20.35 Crores due within 1 year; 2010-11-Rs. 17.85 Crores)	-Rs. 71.23 Crores repayable in 7 Equal Semi-Annual Installments

11. Secured loan (Continued)

	Nature of Security	Terms of Repayment
4.	Term loans of Rs. 30.96 Crores (2010-11- Rs. 34.10 Crores) are 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. 3.13 Crores due within 1 year; 2010-11-Rs. 3.13 Crores)	-Rs. 1.94 Crores repayable in 1 Annual Installment -Rs. 2.38 Crores repayable in 4 Equal Semi- Annual Installments -Rs. 26.64 Crores repayable in 5 Equal Annual Installments starting from May 2014
5.	Term loan of Rs. 20.15 Crores (2010-11- Rs. 21.58 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. 4.48 Crores due within 1 year; 2010-11-Rs. 3.92 Crores)	-Rs. 20.15 Crores repayable in 9 Equal Semi-Annual Installments
6.	Term loan of Rs. 16.40 Crores (2010-11- Rs. 16.40 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 1year; 2010-11-Rs. Nil)	-Rs. 16.40 Crores repayable in 20 Quarterly Installments starting from June 2012
7.	Term loan of Rs. 14.24 Crores (2010-11- 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; 2010-11-Rs. Nil)	-Rs. 14.24 Crores repayable in 5 Annual Equal Installments starting from December 2016
8.	Term loans of Rs. 4.65 Crores (2010-11- Rs. 6.97 Crores) are secured by way of Bank Guarantee which in turn is secured by first charge on whole of the current assets (except Shriram Bioseed Genetics, Hyderabad) of the Company, both present and future 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(Rs. 2.32 Crores due within 1year; 2010-11-Rs. 2.32 Crores)	-Rs. 4.65 Crores repayable in 2 Equal Annual Installments
9.	Term Loan of Rs. 10.75 Crores (2010-11- Rs. Nil 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. Nil due within 1year; 2010-11-Rs. Nil)	-Rs. 10.75 Crores repayable in 10 Equal Semi- Annual Installments starting from March 2015

12. Deposits received under Section 58A of the Companies Act, 1956 are repayable upto March 2015 based on the maturity dates. (Rs. 8.76 crores due within 1 year; 2010-11 Rs. 7.86 crores)

13. There are no disputed dues of wealth tax, customs duty and cess matters. The details of disputed Excise duty, Service tax, Income-Tax and Sales-tax dues as on March 31, 2012 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	3.11	0.07	1995-96, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11
		Central Excise and Service Tax Appellate Tribunal	5.56	1.70	1997-98, 2004-05, 2005-06 2006-07, 2007-08, 2008-09 2009-10, 2010-11
		High Court	2.56	0.06	2006-07 to 2010-11
Finance Act, 1994	Service Tax	Appellate authority up to Commissioners' level	0.11	0.01	2007-08 to 2010-11
		Central Excise and Service Tax Appellate Tribunal	0.26	0.06	2005-06 to 2009-10
Income Tax Act, 1961	Income tax	Appellate authority up to Commissioners' level	0.20	0.20	2007-08
Sales Tax Laws	Sales tax	Appellate authority up to Commissioners' level	2.71	0.50	1983-84, 2001-02, 2005-06, 2006-07, 2007-08, 2008-09
		Appellate Tribunal	2.59	0.83	1994-95, 2007-08, 2008-09

*amount as per demand orders including interest and penalty whenever quantified in the Order

14. Provision for contingencies aggregating to Rs. 12.09 crores (2010-11 - 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.

15. Research and development expenses included under relevant heads in the statement of profit and loss Rs.1.13 crores (2010-11 - Rs. 2.96 crores).

16. Category wise quantitative data about Derivative Instruments:

Nature of Derivative	Number of deals		Purpose		Amount in foreign currency (in Crores)		Amout in (Rs. Crores)	
	This Year	Previous Year	**This Year**	Previous Year	**This Year**	Previous Year	**This Year**	Previous Year
US Dollar Interest rate swap	**4**	5	**Hedging**	Hedging	**USD 2.00**	USD 2.50	**101.76**	111.49
Currency swap	**9**	7	**Hedging**	Hedging	**USD 6.64**	USD 4.54	**337.91**	202.25
Currency swap	**3**	3	**Hedging**	Hedging	**JPY 88.24**	JPY 175.73	**54.75**	94.64
Coupon swap	-	4	**Conversion of Indian Rupee denominated coupons into USD coupons**	Conversion of Indian Rupee denominated coupons into USD coupons	-	USD 0.50	-	22.30
Options	-	1	**Hedging**	Hedging	-	JPY 32.64	-	17.58
Options	**2**	-	**Hedging**	Hedging	**USD 0.97**	-	**49.35**	-
Commodity Futures	**2**	1	**Sale/Purchase**	Sale/Purchase	-	-	**0.58**	2.73
Commodity Futures	**2**	-	**Hedging**	Hedging	-	-	**2.16**	-

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**	**0.45**	USD 0.51	22.84
	-	-	JPY 12.64	6.81
Current liabilities	**USD 0.01**	**0.70**	USD 0.05	2.16
	EUR 0.002	**0.16**	EUR 0.002	0.15
Current Assets	**USD 0.01**	**0.45**	USD 0.13	5.73

17. '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 2.25.

18. Disclosure in respect of operating leases under Accounting Standards AS-19 "leases" are as under:

a. Assets taken on lease:-

(i) The Company has entered into lease agreements for lease of offices, retail outlets 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) **(Rs. Crores)**

	This Year	Previous Year
Total of minimum lease payments	**2.68**	4.01
The total of minimum lease payments for a period :		
- Not later than one year	**1.86**	2.01
- Later than one year and not later than five years	**0.82**	2.00
- Later than five years	-	-
(iii) Lease payment recognised in the statement of profit and loss for the year	**29.59**	27.36

b. Assets given on lease:-

(i) The Company has entered into operating lease arrangements for buildings. 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	**20.47**	19.52	**1.41**	1.13	**0.28**	0.27
Plant and Machinery	**0.42**	0.41	**0.13**	0.08	**0.05**	0.04
Furniture and Fittings	**1.22**	1.02	**0.72**	0.59	**0.13**	0.15
	22.11	20.95	**2.26**	1.80	**0.46**	0.46

(ii) Rs. Crores

	This Year	Previous Year
Future minimum lease rent receivables in respect of non-cancellable lease	**11.65**	8.08
- Not later than one year	**0.34**	0.23
- Later than one year and not later than five years	**1.46**	0.96
- Later than five years	**9.85**	6.89

19. Schedule VI to the Companies Act, 1956 directing the preparation, disclosure and presentation of financial statements has been revised effective from 1 April, 2011. Accordingly, previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.

20. Notes 1 to 20 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			
	2011-12	2010-11	**2011-12**	2010-11	**2011-12**	2010-11
Urea	-	-	-	-	**500.79**	467.48
PVC resins	**1.85**	0.84	**0.56**	1.85	**230.78**	186.37
Caustic soda	**1.04**	0.82	**2.20**	1.04	**580.11**	320.93
Chlorine	**0.06**	0.06	-	0.06	**32.27**	83.69
Compressed Hydrogen	-	-	-	-	**16.72**	13.23
Stable Bleaching Powder	**0.01**	0.02	**0.01**	0.01	**10.35**	10.35
Marketable Calcium carbide	-	-	**1.21**	-	**168.20**	134.25
D.A.P.	**2.82**	2.00	**6.82**	2.82	**134.30**	279.57
M.O.P.	**0.73**	0.77	**8.60**	0.73	**184.86**	73.60
Super Phosphate	**1.16**	3.60	**0.41**	1.16	**415.37**	284.92
Zinc Sulphate	**0.76**	0.89	**1.09**	0.76	**31.23**	24.00
Traded Urea	**6.12**	2.90	**0.68**	6.12	**35.91**	32.52
Cement	**1.48**	2.26	**2.49**	1.48	**159.98**	136.79
Yarn	**4.96**	0.60	**0.38**	4.96	**43.97**	52.33
Sugar	**560.63**	365.21	**757.13**	560.63	**800.71**	528.24
Molasses	**28.85**	21.79	**36.46**	28.85	**57.15**	36.85
UPVC Windows	**2.28**	2.30	**4.18**	2.28	**186.15**	134.83
PVC Compounds	**1.44**	1.28	**1.77**	1.44	**123.81**	136.31
Power Sale	-	-	-	-	**61.72**	136.30
Petrol / Diesel	**3.47**	2.74	**5.96**	3.47	**346.64**	233.88
Other sales/stocks and adjustments	**199.41**	142.31	**307.84**	199.41	**999.80**	904.43
Total	**817.07**	550.39	**1137.79**	817.07	**5120.82**	4210.87

2. Particulars of raw materials consumed

Rs. Crores

Description	2011-12	2010-11
Liquidated natural gas	**229.20**	227.87
Lime and lime stone	**41.93**	32.34
Hard coke/SLV/Pearl/Nut coke/Met coke/Pet coke	**48.56**	38.20
Charcoal	**34.08**	23.50
Salt	**50.65**	35.01
Lime stone	**12.29**	10.31
Kapas, cotton, synthetic yarn etc.	**35.31**	41.50
Sugarcane	**911.55**	649.82
PVC Resin	**5.49**	22.26
Plasticizers	**26.57**	31.21
Other miscellaneous raw materials	**333.04**	177.56
Total	**1728.67**	1289.58

3. Particulars of goods purchased for resale

Rs. Crores

Description	2011-12	2010-11
D.A.P.	**128.28**	272.25
M.O.P.	**190.36**	70.64
Super Phosphate	**401.47**	268.89
Petrol / Diesel	**342.99**	230.67
Others	**664.11**	667.44
Total	**1727.21**	1509.89

4. Other Additional Information

Description	2011-12 Rs. Crores	2010-11 Rs. Crores
(a) Value of imports on CIF basis		
Raw materials	**61.94**	56.74
Components and spare parts	**17.37**	12.85
Capital goods	**94.02**	6.25
Others	**304.80**	392.10
(b) Expenditure in foreign currency on cash basis		
Travelling	**1.02**	1.09
Interest	**22.04**	20.69
Consultation fees	**1.01**	0.68
Others	**1.05**	0.95
(c) Earnings in foreign exchange on cash basis		
Direct export of goods on FOB basis/as per contracts where FOB value not readily ascertainable	**20.54**	28.17
Others	**0.78**	0.52

	2011-12		2010-11	
	Rs. Crores	%	Rs. Crores	%
(d) Value of imported/indigenous raw materials, spare parts, components and stores consumed				
(i) Raw materials				
Imported	**50.69**	**2.93**	51.26	3.98
Indigenous	**1677.98**	**97.07**	1238.32	96.02
	1728.67	**100.00**	1289.58	100.00
(ii) Spare parts,components and stores				
Imported	**26.23**	**12.54**	11.50	6.78
Indigenous	**182.91**	**87.46**	158.27	93.22
	209.14	**100.00**	169.77	100.00

Signatures to Notes 1 to 20 and Statement of Additional information.

VIKRAM S. SHRIRAM
Vice Chairman & Managing Director

AJAY S. SHRIRAM
Chairman & Sr. Managing Director

B.L. SACHDEVA
Company Secretary

N.J. SINGH
S.S. BAIJAL
ARUN BHARAT RAM
PRADEEP DINODIA
VIMAL BHANDARI
SUNIL KANT MUNJAL
Directors

AJIT S. SHRIRAM
Dy. Managing Director

RAJIV SINHA
Jt. Managing Director

New Delhi
May 11, 2012

Auditors' Report

Auditors' Report on Consolidated Financial Statements to the Board of Directors of DCM Shriram Consolidated Limited

1. We have audited the attached Consolidated Balance Sheet of **DCM SHRIRAM CONSOLIDATED LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respect, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. 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 Holding PTE Limited, Bioseed Research Phillipines Inc., Shriram Bioseed (Thailand) Limited, Shriram Bioseed Ventures Limited, Shriram Bioseed Limited, Zeus Investments Limited, DCM Shriram Hydro Energy Limited, Fenesta India Limited (Formerly known as Fenesta Building Systems Limited), SBM Yarn Limited, Hariyali India Limited, Hariyali Insurance Broking Limited, Shri Ganpati Fertilizers Limited and PT. Shriram Seed Indonesia, whose financial statements reflect total assets of Rs. 252.60 crores as at March 31, 2012, total revenues of Rs. 102.83 crores and net cash outflows amounting to Rs. 29.68 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 and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, as notified under the Companies (Accounting Standards) Rules, 2006.

5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company and its aforesaid subsidiaries and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;

   (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and

   (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 015125N)

Jaideep Bhargava
Partner
Membership No.: 90295

Gurgaon
Date: May 11, 2012

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

	Notes	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	**33.34**	33.34
Reserves and surplus	2.2	**1,281.87**	1,273.03
		1,315.21	1,306.37
Non-current liabilities			
Long-term borrowings	2.3	**791.33**	763.61
Deferred tax liablities (net)	2.4	**152.12**	156.13
Other Long-term liabilities	2.5	**7.23**	6.28
Long-term provisions	2.6	**109.34**	103.64
		1,060.02	1,029.66
Current liabilities			
Short-term borrowings	2.7	**852.71**	771.64
Trade payables	2.8	**861.68**	391.95
Other current liabilities	2.9	**512.65**	363.16
Short-term provisions	2.10	**26.36**	23.11
		2,253.40	1,549.86
Total		**4,628.63**	3,885.89
ASSETS			
Non-current assets			
Fixed assets	2.11		
Tangible assets		**1,843.61**	1,955.70
Intangible assets		**66.76**	61.80
Assets on lease		**0.68**	0.54
Capital work in progress		**53.49**	59.17
Intangible assets under development		**0.39**	0.82
Non-current investments	2.12	**10.60**	12.58
Long-term loans and advances	2.13	**94.21**	68.88
Other non-current assets	2.14	**0.36**	0.42
		2,070.10	2,159.91
Current assets			
Inventories	2.15	**1,335.58**	1,016.70
Trade receivables	2.16	**723.38**	406.20
Cash and Bank balances	2.17	**241.26**	74.17
Short-term loans and advances	2.18	**226.35**	198.21
Other current assets	2.19	**31.96**	30.70
		2,558.53	1,725.98
Total		**4,628.63**	3,885.89
Significant accounting policies and Notes to the consolidated accounts	1 to 19		

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

Jaideep Bhargava
Partner

VIKRAM S. SHRIRAM
Vice Chairman & Managing Director

AJAY S. SHRIRAM
Chairman & Sr. Managing Director

B.L. SACHDEVA
Company Secretary

N.J. SINGH
S.S. BAIJAL
ARUN BHARAT RAM
PRADEEP DINODIA
VIMAL BHANDARI
SUNIL KANT MUNJAL
Directors

AJIT S. SHRIRAM
Dy. Managing Director

RAJIV SINHA
Jt. Managing Director

New Delhi
May 11, 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2012

	Notes	**Year ended March 31, 2012 Rs. Crores**	Year ended March 31, 2011 Rs. Crores
Revenue from operations			
Sale of Products		**5,203.61**	4,279.14
Less: Excise duty		**197.40**	144.63
		5,006.21	4,134.51
Other operating revenues	2.20	**32.99**	16.77
		5,039.20	4,151.28
Other income	2.21	**29.08**	16.55
Total Revenue		**5,068.28**	4,167.83
Expenses			
Cost of materials consumed		**1,793.83**	1,347.66
Purchases of Stock-in-Trade		**1,688.33**	1,482.81
Change in inventories of finished goods, Work-in-progress and Stock-in-Trade	2.22	**(322.12)**	(224.41)
Employee benefits expense	2.23	**377.43**	339.79
Finance costs	2.24	**160.29**	103.92
Depreciation and amortisation expense	2.11	**156.88**	159.98
Other expenses	2.25	**1,166.03**	990.07
Total Expenses		**5,020.67**	4,199.82
Profit/(loss) before exceptional item and tax		**47.61**	(31.99)
Exceptional item:			
- Differential cane price 2007-08		**(38.06)**	-
Profit/(loss) before tax		**9.55**	(31.99)
Provision for taxation		**(2.37)**	(17.72)
Profit/(loss) after tax		**11.92**	(14.27)
Earnings per equity share-basic/diluted (Rs.) (refer note 8)			
-Before exceptional item		**2.57**	(0.86)
-After exceptional item		**0.72**	(0.86)
Significant accounting policies and Notes to the consolidated accounts	1to19		

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

Jaideep Bhargava
Partner

B.L. SACHDEVA
Company Secretary

VIKRAM S. SHRIRAM
Vice Chairman & Managing Director

AJAY S. SHRIRAM
Chairman & Sr. Managing Director

AJIT S. SHRIRAM
Dy. Managing Director

RAJIV SINHA
Jt. Managing Director

N.J. SINGH
S.S. BAIJAL
ARUN BHARAT RAM
PRADEEP DINODIA
VIMAL BHANDARI
SUNIL KANT MUNJAL
Directors

New Delhi
May 11, 2012

CONSOLIDATED CASH FLOW STATEMENT

OF DCM SHRIRAM CONSOLIDATED LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2012

		Year ended March 31, 2012 Rs. Crores	Year ended March 31, 2011 Rs. Crores
A.	**Cash flow from operating activities**		
	Net Profit/(loss) before tax and exceptional items	**47.61**	(31.99)
	Adjustments for :		
	Depreciation	**156.88**	159.98
	Permanent dimunition in value of Investment	**1.08**	-
	Contingent provision for standard asset	**0.01**	-
	(Profit)/ loss on sale/ write off of Fixed Assets	**10.48**	3.31
	(Profit) on sale of non trade non-current investments	**(1.65)**	(0.19)
	Exchange differences on conversion	**(1.81)**	0.10
	Finance cost	**160.29**	103.92
	Less: interest and dividend income	**(20.58)**	(12.09)
	Operating Profit before working capital changes	**352.31**	223.04
	Adjustments for :		
	Trade receivables	**(309.51)**	(139.55)
	Long term loans and advances	**(12.72)**	(1.13)
	Short term loans and advances	**28.37**	24.24
	Other non current assets	**0.06**	(0.42)
	Other current assets	**(0.41)**	9.14
	Inventories	**(318.88)**	(161.83)
	Trade payables	**473.85**	(111.10)
	Long term provisions	**5.71**	10.56
	Short term provisions	**2.15**	4.40
	Other long term liabilities	**(0.11)**	(0.18)
	Other current liabilities	**117.45**	60.07
	Cash generated from operations	**338.27**	(82.76)
	Income taxes refund/(paid)	**(1.90)**	32.35
	Net cash from/(used) in operating activities before exceptional item	**336.37**	(50.41)
	Exceptional item	**(38.06)**	-
	Net cash from/(used) in operating activities	**298.31**	(50.41)
B.	**Cash flow from investing activities**		
	Purchase of fixed assets	**(66.87)**	(92.76)
	Sale of fixed assets	**13.08**	2.78
	Purchase of trade non current investments	**(0.34)**	-
	Purchase of non trade non current investments	**(0.02)**	(0.41)
	Purchase of non trade current investments	**(3,970.56)**	(4,975.39)
	Sale of non-trade current Investment	**3,970.56**	4,975.39
	Sale of non-trade non current Investment	**2.91**	0.78
	Interest received	**18.44**	15.42
	Dividend received	**1.28**	1.36
	Net cash used in investing activities	**(31.52)**	(72.83)
C.	**Cash flow from financing activities**		
	Proceeds from long term borrowings	**114.60**	169.48
	Proceeds from short term borrowings	**5,065.91**	3,085.98
	Repayment of long term borrowings	**(161.31)**	(285.27)
	Repayment of short term borrowings	**(4,902.88)**	(2,826.09)
	Inter Corporate Deposits given	-	(2.72)
	Changes in working capital borrowings	**(73.17)**	105.36
	Dividends paid	**(6.64)**	(6.64)
	Corporate dividend tax paid	**(1.08)**	(1.10)
	Finance cost paid	**(135.40)**	(100.41)
	Net cash (used)/ from financing activities	**(99.97)**	138.59
	Net increase/(decrease) in cash and cash equivalents	**166.82**	15.35
	Cash and cash equivalents as at opening *		
	Cash and cheques in hand and balances with banks	**69.45**	54.10
	Cash and cash equivalents as at closing *		
	Cash and cheques in hand and balances with banks	**236.27**	69.45
	* excludes Rs. 2.08 crores (2010-11 - 2.24 crores) held in dividend accounts, and Rs. 2.91 crores (2010-11 - Rs. 2.48 crore) earmarked for specific purposes		

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

Jaideep Bhargava
Partner

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Dy. Managing Director

RAJIV SINHA
Jt. Managing Director

New Delhi
May 11, 2012

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED ACCOUNTS

1. **Statement of accounting policies**

(i) **Basis of accounting**

The consolidated financial statements are prepared under the historical cost convention. These statements have been prepared in accordance with Accounting Standard 21 - "Consolidated Financial Statements" and relevant presentational requirements of the Companies Act, 1956.

(ii) **Principles of consolidation**

a) The consolidated financial statements relate to DCM Shriram Consolidated Limited ('the Company') and its subsidiary companies. 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 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.

b) The companies considered in the consolidated financial statements are:

Name of the Company	Country of incorporation	**% voting power held as at March 31, 2012**	% voting power held as at March 31, 2011
Subsidiary companies			
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
DCM Shriram Thermal Energy Limited (100 % subsidiary of DSCIL)	India	**100**	100
Hariyali India Limited (100% subsidiary of DSCIL)	India	**100**	100
Hariyali Rural Ventures Limited	India	**100**	100
DCM Shriram Aqua Foods Limited	India	**100**	100
Bioseeds Limited (BL)	Mauritius	**100**	100
Bioseed Research Philippines Inc (100% subsidiary of BL)	Philippines	**100**	100
Bioseed Holdings PTE Limited (BHP) (100% subsidiary of BL)	Singapore	**100**	100
Bioseed Vietnam Limited (100% subsidiary of BHP)	Vietnam	**100**	100
PT Shriram Seed Indonesia (95% subsidiary of BHP) @	Indonesia	**95**	-
Shriram Bioseed (Thailand) Limited (99.99% subsidiary of BHP)	Thailand	**99.99**	99.99
Bioseed Research India Private Limited	India	**100**	100
Shriram Bioseed Ventures Limited (SBVL)	India	**100**	100
Shriram Bioseeds Limited (SBL) (100% subsidiary of SBVL)	Mauritius	**100**	100
Zeus Investments Limited (100% subsidiary of SBL)	Mauritius	**100**	100
DCM Shriram Energy and Infrastructure Limited (DSEIL)	India	**100**	100
DCM Shriram Hydro Energy Limited (100% subsidiary of DSEIL)	India	**100**	100
Fenesta India Limited	India	**100**	100
SBM Yarn Limited	India	**100**	100
Hariyali Insurance Broking Limited	India	**100**	100
Shri Ganpati Fertilizers Limited	India	**81.41**	81.41

@ subsidiary from current year

c) The accounts of subsidiaries namely 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.

d) These Consolidated Financial Statements are based, in so far as they relate to amounts included in respect of subsidiaries on the audited financial statements prepared for consolidation by the concerned subsidiaries in accordance with the requirements of AS -21 "Consolidated Financial Statements" notified by the Companies (Accounting Standard) Rules, 2006.

(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 is provided at the rates as specified in schedule XIV to the Companies Act, 1956, except in the case of:

		Depreciation Rate
-	catalyst tubes	12.50%
-	cell units	10.00%
-	certain other plant and machinery items	16.67%
-	office and other equipments	25.00%

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 (amortisation) on intangibles is provided on straight line method as follows:

- Technical know-how is amortised over its estimated economic useful life of 10 years
- Brand is amortised over a period of 10 years.
- Software is amortised over a period of 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 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 profit and loss account 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 bases 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.
Process stocks 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) Revenue in respect of sale of products is recognised at the point of despatch to customer.

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 profit and loss account. 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.

(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

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.

2.1 SHARE CAPITAL

		As at March 31, 2012 Rs. Crores		As at March 31, 2011 Rs. Crores
Authorised				
28,49,50,000 (2010-11 - 28,49,50,000) Equity shares of Rs.2 each with voting rights		**56.99**		56.99
65,01,000 (2010-11 - 65,01,000) Cumulative redeemable preference shares of Rs.100 each		**65.01**		65.01
		122.00		122.00
Issued				
16,98,03,320 (2010-11 - 16,98,03,320) Equity shares of Rs.2 each with voting rights		**33.96**		33.96
Subscribed and fully paid up				
16,59,03,320 (2010-11 - 16,59,03,320) Equity shares of Rs.2 each with voting rights, fully called-up	**33.18**		33.18	
Add: forfeited shares - Amount originally paid up	**0.16**	**33.34**	0.16	33.34
		33.34		33.34

NOTES:

(i) There is no change in issued, subscribed and paid up share capital during the current year and corresponding previous year.

(ii) 8,29,51,660 equity shares of Rs 2 each fully paid up were allotted and issued as bonus shares by capitalisation of Capital Redemption Reserve in 2005-06

	As at 31.03.2012		As at 31.03.2011	
	No. of shares	%	No. of shares	%
(iii) Shares held by the holding company:				
Sumant Investments Private Limited	96,178,793	57.97%	-	-
(iv) The shareholders holding more than 5% equity shares are as under:				
Sumant Investments Private Limited	96,178,793	57.97%	17,926,951	10.81%
Srinagar Holdings Private Limited *	-	-	18,395,260	11.09%
Univenta Holdings Private Limited *	-	-	16,618,900	10.02%
Stellar Enterprises Private Limited *	-	-	12,094,116	7.29%
Hind Industrial Resources Limited *	-	-	8,904,034	5.37%
Life Insurance Corporation of India	12,863,749	7.75%	12,863,749	7.75%

* Merged with Sumant Investments Private Limited

2.2 RESERVES AND SURPLUS

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Capital reserve	**22.61**	22.61
Capital redemption reserve	**8.41**	8.41
Securities premium reserve	**65.07**	65.07
Revaluation reserve		
Opening Balance	**-**	0.25
Less: Deduction during the year	**-**	(0.25)
	-	-
General reserve		
Opening Balance	**677.79**	677.79
Add: Transferred from statement of profit and loss	**2.62**	-
	680.41	677.79
Storage fund for molasses account		
Opening Balance	**0.64**	-
Add: Transferred from statement of profit and loss	**0.13**	0.64
	0.77	0.64

2.2 RESERVES AND SURPLUS (Continued)

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Statutory reserve *		
Opening Balance	**0.77**	0.76
Add: Transferred from statement of profit and loss	-	0.01
	0.77	0.77
Foreign currency translation reserve		
Opening Balance	**3.21**	4.21
Add: adjustments during the year	**5.73**	(1.00)
	8.94	3.21
Balance in Statement of Profit and loss		
Opening Balance	**494.53**	517.17
Add: Profit/(loss) during the year	**11.92**	(14.27)
Amount available for appropriation	**506.45**	502.90
Appropriations:		
Proposed final dividend on equity shares	**6.64**	6.64
Corporate dividend tax	**2.17**	1.08
Transfer to general reserve	**2.62**	-
Statutory reserve	-	0.01
Storage fund for molasses account	**0.13**	0.64
	494.89	494.53
	1,281.87	1,273.03

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

NON-CURRENT LIABILITIES
2.3 LONG-TERM BORROWINGS

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Secured		
Term loans		
From banks [refer note 13 (b)]	**396.95**	362.22
From others [refer note 13 (c)]	**372.42**	378.22
	769.37	740.44
Unsecured		
Term loans		
From banks	-	0.61
Deposits		
Fixed	**3.08**	8.11
Others	**18.18**	14.18
Finance lease liability (refer note 7)	**0.70**	0.27
	21.96	23.17
	791.33	763.61

2.4 DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Deferred tax liabilities		
Depreciation	**222.17**	231.80
Others	-	0.07
	222.17	231.87
Deferred tax assets		
Unabsorbed depreciation	**13.59**	26.98
Provision for gratuity and leave encashment	**37.25**	33.41
Provision for doubtful debts and advances	**5.57**	4.15
Others	**13.64**	11.20
	70.05	75.74
	152.12	156.13

2.5 OTHER LONG TERM LIABILITIES

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Ex-gratia payable under voluntary retirement schemes	**0.56**	0.67
Interest accrued but not due on loans and deposits	**6.67**	5.61
	7.23	6.28

2.6 LONG-TERM PROVISIONS

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Provision for employee benefits		
Gratuity	**57.62**	52.76
Compensated absences	**39.63**	34.79
Provision for contingencies (refer note 5)	**12.09**	16.09
	109.34	103.64
	1,060.02	1,029.66

2.7 SHORT-TERM BORROWINGS

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Secured *		
Loans repayable on demand from banks	**54.78**	127.95
Others loans and advances from banks	**529.11**	97.56
	583.89	225.51
Unsecured		
Loans repayable on demand		
From banks	**265.82**	543.13
From other	**3.00**	3.00
	268.82	546.13
	852.71	771.64

2.8 TRADE PAYABLES

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Total outstanding dues of micro and small enterprise	**0.99**	1.23
Total outstanding dues of creditors other than micro and small enterprise	**860.69**	390.72
	861.68	391.95

2.9 OTHER CURRENT LIABILITIES

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Current maturities of long-term debt (Secured)		
From banks [Refer note 13(b)]	**103.64**	112.64
From others [Refer note 13 (c)]	**61.08**	34.91
Current maturities of long-term debt (Unsecured)		
From banks	**0.61**	0.61
From others parties **	**8.76**	7.86
Current maturities of finance lease obligations (refer note 7)	**0.24**	0.14
Interest accrued but not due on borrowings	**14.62**	9.75
Advances received from customers	**201.92**	104.02
Unpaid dividends	**1.66**	1.70
Unpaid matured deposits and interest accrued thereon	**0.33**	0.37
Unpaid matured debentures and interest accrued thereon	**0.21**	0.21
Ex-gratia payable under voluntary retirement schemes	**0.12**	0.18
Statutory dues payable	**81.83**	62.35
Security deposits	**20.62**	18.10
Others miscellaneous payable	**17.01**	10.32
	512.65	363.16

2.10 SHORT-TERM PROVISIONS

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Provision for employee benefits		
Gratuity	**11.01**	8.82
Compensated absences	**6.53**	6.57
Contingent provision for standard assets	**0.01**	-
Proposed dividend	**6.64**	6.64
Corporate dividend tax	**2.17**	1.08
	26.36	23.11
	2,253.40	1,549.86

* Also refer note 13(a)
** Includes Rs. Nil (2010-11 - Rs. 0.11 crore) received as Fixed deposits u/s 58 A of Companies Act, 1956 from a director and his relative

NON-CURRENT ASSETS

2.11 FIXED ASSETS

(Rs. Crores)

	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
Description	As at March 31, 2011	Additions	Deductions	**As at March 31, 2012**	Up to March 31, 2011	For the year	On deductions	**Up to March 31, 2012**	**As at March 31, 2012**	As at March 31, 2011
Tangibles										
Land - Freehold	140.78	1.54	2.30	**140.02**	-	-	-	-	**140.02**	140.78
- Leasehold	19.21			**19.21**	-	-	-	-	**19.21**	19.21
Buildings	428.13	6.95	0.33	**434.75**	51.71	9.46	0.01	**61.16**	**373.59**	376.42
Leasehold improvements	17.97	1.70	8.48	**11.19**	6.11	2.43	3.02	**5.52**	**5.67**	11.86
Plant and equipment	2,261.30	39.36	16.85	**2,283.81**	912.00	127.25	12.26	**1,026.99**	**1,256.82**	1,349.30
Furniture and Fixtures	63.78	3.15	13.42	**53.51**	31.96	6.12	6.57	**31.51**	**22.00**	31.82
Office equipment	25.12	2.52	2.35	**25.29**	17.08	2.23	1.45	**17.86**	**7.43**	8.04
Vehicles	35.23	7.40	4.75	**37.88**	16.96	5.40	3.35	**19.01**	**18.87**	18.27
Sub total (This year)	**2,991.52**	**62.62**	**48.48**	**3,005.66**	**1,035.82**	**152.89**	**26.66**	**1,162.05**	**1,843.61**	
Previous year	2,951.27	58.95	18.70	2,991.52	893.24	155.00	12.42	1,035.82		1,955.70
Intangibles										
Goodwill	59.41	6.79	0.66	**65.54**	9.15	-	-	**9.15**	**56.39**	50.26
Technical Know how	23.79	-	-	**23.79**	19.61	1.25	-	**20.86**	**2.93**	4.18
Brand	8.22	-	-	**8.22**	5.82	0.69	-	**6.51**	**1.71**	2.40
Computer Software	11.20	2.58	0.21	**13.57**	6.24	1.74	0.14	**7.84**	**5.73**	4.96
Sub total (This year)	**102.62**	**9.37**	**0.87**	**111.12**	**40.82**	**3.68**	**0.14**	**44.36**	**66.76**	
Previous year	101.61	1.44	0.43	102.62	35.78	5.05	0.01	40.82		61.80
Asset on Lease										
Motor Vehicles	0.97	0.60	0.09	**1.48$$**	0.43	0.37	-	**0.80**	**0.68**	0.54
Sub total (This year)	**0.97**	**0.60**	**0.09**	**1.48**	**0.43**	**0.37**	-	**0.80**	**0.68**	
Previous year	1.02	0.14	0.19	0.97	0.81	-	0.38	0.43		0.54
Total This year	**3,095.11**	**72.59****	**49.44**	**3,118.26**	**1,077.07**	**156.94#**	**26.80**	**1,207.21**	**1,911.05**	
Total Previous year	3,053.90	60.53	19.32	3,095.11	929.83	160.05	12.81	1,077.07		2,018.04
Capital work in progress									**53.49**	59.17
Intangible assets under development									**0.39**	0.82
									1,964.93	2,078.03

* Includes Rs. 0.17 crores (2010-11 - Rs. 0.17 crores) pertaining to land situated at Hardoi pending registration in favour of the Company.
# Includes Rs. 0.06 crore (2010-11 - Rs. 0.07 crore) included in addition to capital work in progress
** Includes addition of Rs. 0.02 crore (2010-11 - Rs. Nil) on account of foreign exchange fluctuation
$$ Refer note 7

2.12 NON-CURRENT INVESTMENTS

(valued at cost unless there is permanent fall in value thereof)

	As at March 31, 2012 Rs. Crores		As at March 31, 2011 Rs. Crores	
(a) TRADE INVESTMENTS				
(i) Investment in Equity Shares				
Unquoted				
11,32,134 (2010-11 - 7,95,009) Equity shares of Rs.10/- each fully paid up of Narmada Clean Tech Ltd (Formerly Bharuch Eco Aqua Infrastructure Limited) 3,37,125 (2010-11 -Nil) Equity shares acquired during the year	**1.13**		0.79	
45,50,000 (2010-11 - 45,50,000) Equity shares of Rs. 10/- each fully paid up of Forum I Aviation Private Limited.	**4.55**	**5.68**	4.55	5.34
(b) NON-TRADE INVESTMENTS				
(i) Investment in Equity Shares				
- Subsidiaries				
Unquoted				
10,000 (2010-11 - 10,000) Equity shares of Hariyali Rural Foundation of Rs. 10/- each fully paid up.	**0.01**		0.01	
50,000 (2010-11 - 50,000) Equity shares of Rs. 10 each fully paid up of Shridhar Shriram Foundation	**0.05**	**0.06**	0.05	0.06
Others				
Quoted				
1,40,000 (2010-11 - 150,000) Equity shares of IFCI Limited of Rs.10/- each fully paid up. 10,000 shares sold during the year	**0.06**		0.06	
5,400 (2010-11 - 5,400) Master Gains 92 of Unit Trust of India of Rs. 10/- each fully paid up (@ Rs.47,000)	**@**		@	
Nil (2010-11 - 2,500) Equity shares of APW President System Limited of Rs.10/- each fully paid up. 2,500 shares sold during the year	-		0.01	
66,037 (2010-11 - 66,037) Equity shares of Bank of Baroda of Rs. 10/- each fully paid up.	**1.52**		1.52	
Nil (2010-11 - 8,708) Equity shares of Reliance Power Limited of Rs. 10/- each fully paid up. 8,708 shares sold during the year	-		0.24	
20,108 (2010-11 - 45,108) Equity shares of Gujarat State Petronet Limited of Rs. 10/- each fully paid up. 25,000 shares sold during the year	**0.05**		0.12	
Nil (2010-11 - 1,708) Equity shares of Future Capital Holdings Ltd. Rs. 10/- each fully paid up. 1,708 shares sold during the year	-		0.13	
Nil (2010-11 - 34,150) Equity shares of National Thermal Power Corporation Limited of Rs.10/- each fully paid up. 34,150 shares sold during the year	-		0.21	

2.12 NON-CURRENT INVESTMENTS (Continued)

				As at March 31, 2012 Rs. Crores		As at March 31, 2011 Rs. Crores
	3,430 (2010-11 - 3,430) Equity shares of Punjab National Bank of Rs.10/- each fully paid up		**0.13**		0.13	
	Nil (2010-11 - 97,907) Equity shares of Power Grid Corporation Ltd of Rs. 10/- each fully paid up. 97,907 shares sold during the year		-		0.51	
	17,870 (2010-11 - 37,870) Equity shares of Yes Bank Ltd of Rs 10/- each fully paid up. 20,000 shares sold during the year		**0.08**		0.17	
	6,53,592 (2010-11 - 6,53,592) Equity shares of Nicco Corporation Ltd of Rs. 2/-each fully paid up		**0.40**	**2.24**	0.40	3.50
	Unquoted					
	49,950 (2010-11 - 49,950) Equity shares of Pacific Land Development Private Limited of Rs.10/- each fully paid up		**0.05**		0.05	
	5,00,000 (2010-11- 5,00,000) Equity shares of Forech India Ltd. of Rs. 10/- each, Rs. 4 paid up		**1.75**		1.75	
	3,00,000 (2010-11 - 3,00,000) Equity shares of E Commodities Limited of Rs.10/- each fully paid up		**0.30**		0.30	
	2,00,000 (2010-11 - 2,00,000) Equity shares of Ellenbarie Commercial Limited of Rs.10/- each fully paid up	**1.50**				
	Less : Permanent diminution in value	**1.08**	**0.42**		1.50	
	40,000 (2010-11 - 40,000) Equity shares of BMD Estate Private Limited of Rs.10/- each fully paid up	**0.75**				
	Less : Permanent diminution in value	**0.75**	-	2.52	-	3.60
(ii)	**Investment in Government securities**					
	Unquoted					
	National savings certificates *		**0.10**	**0.10**	0.08	0.08
(iii)	**Other non current investments**					
	Quoted					
	763.959 (2010-11 - 763.959) US-2002 of Unit Trust of India of Rs. 10/- each fully paid up (# Rs.5,000)			#		#
	TOTAL:			**10.60**		12.58
	Aggregate book value: - Quoted			**2.24**		3.50
	- Unquoted			**8.36**		9.08
	Aggregate provision for diminution in value of investments			**1.83**		-
	Aggregate market value - Quoted			**7.01**		11.07

* Lodged with Sales Tax authorities Rs. 9,000 (2010-11 - Rs. 9,000)

2.13 Long-term loans and advances

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
(Unsecured considered good unless otherwise stated)		
Capital advances	**12.59**	5.33
Security deposit	**37.48**	23.62
Employee loans and advances	**3.54**	3.66
MAT credit entitlement	**35.59**	30.35
Others loans and advances	**5.01**	5.92
	94.21	68.88

2.14.Other non-current assets

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Fixed Deposits with banks *	**0.36**	0.42
	0.36	0.42

* Includes Rs. 0.26 crore (2010-11 - Rs. 0.32 crores) earmarked for specific purposes.

CURRENT ASSETS

2.15 INVENTORIES

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Raw materials *	**47.00**	58.90
Work-in-progress	**32.30**	28.45
Finished goods **	**1,001.45**	688.63
Stock-in-trade	**152.76**	147.31
Stores and spares	**102.06**	93.40
Securities	**0.01**	0.01
	1,335.58	1,016.70

2.16 TRADE RECEIVABLES

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Outstanding for a period exceeding six months from due date for payment		
Secured - considered good	**0.06**	0.08
Unsecured - considered good	**77.00**	61.64
- considered doubtful	**12.61**	8.65
	89.67	70.37

2.16 TRADE RECEIVABLES (Continued)

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Less: Provision for doubtful receivables	**12.61**	8.65
	77.06	61.72
Others		
Secured - considered good	**0.77**	8.44
Unsecured - considered good	**645.55**	336.04
	723.38	406.20

2.17 CASH AND BANK BALANCES

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Cash and cash equivalents		
Balances with banks on		
- current accounts $	**179.26**	62.13
- deposit accounts#	**28.76**	9.11
Cheques on hand	**5.27**	-
Cash on hand	**1.64**	1.69
Other bank balances		
- deposit accounts#	**26.33**	1.24
	241.26	74.17

2.18 SHORT-TERM LOANS AND ADVANCES
(Unsecured Considered good unless otherwise stated)

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Advances recoverable in cash or in kind or for value to be received		
Considered good ##	**200.75**	163.93
Considered doubtful	**3.28**	3.42
	204.03	167.35
Less: Provision for doubtful advances	**3.28**	3.42
	200.75	163.93
Employee loans and advances	**3.91**	4.86
Deposits	**5.28**	3.86
Balances with customs, excise etc.	**13.48**	17.54
Tax payments (net of provision of current tax)	**2.93**	8.02
	226.35	198.21

2.19 OTHER CURRENT ASSETS

(Unsecured Considered good unless otherwise stated)

	As at March 31, 2012 Rs. Crores	As at March 31, 2011 Rs. Crores
Considered good	13.81	14.44
Considered doubtful	0.85	0.85
	14.66	15.29
Less: Provision for doubtful claims	0.85	0.85
	13.81	14.44
Unbilled revenue	11.11	12.66
Interest accrued on investments, deposits etc.	4.30	3.44
Assets held for disposal	2.74	0.16
	31.96	30.70
	2,558.53	1,725.98

* Includes goods-in-transit Rs. 1.23 crores (2010-11 - Rs. Nil)

** Includes goods-in-transit Rs. Nil (2010-11 - Rs. 0.14 crores)

$ Includes Rs.2.08 crores (2010-11 - Rs. 2.24 crores) balances with banks earmarked for unpaid dividends, debentures interest etc.

\# - Includes Rs. 53.42 crores (2010-11 - Rs. 2.48 crores) earmarked for specific purposes

\- Includes Rs. 10,000 (2010-11 - Rs. 10,000) lodged with sales tax authority

\## Includes Rs. 0.28 crores (2010-11 - Rs. Nil) advance to a director and his relative (refer note 9)

2.20 OTHER OPERATING REVENUES

	Year ended March 31, 2012 Rs. Crores	Year ended March 31, 2011 Rs. Crores
Rent	1.08	1.37
Liabilities/ provisions no longer required written back	6.96	1.29
Income from services	0.51	-
Interest income #	0.31	0.34
Scrap sales and other miscellaneous income	24.13	13.77
	32.99	16.77

\# Income-tax deducted at source - Rs. 0.03 crore (2010-2011 - Rs.0.03 crore)

2.21 OTHER INCOME

	Year ended March 31, 2012 Rs. Crores	Year ended March 31, 2011 Rs. Crores
Interest income #	**19.30**	10.40
Dividend income	**1.28**	1.36
Profit on sale of non trade non-current investment	**1.65**	0.19
Rent	**3.91**	3.98
Miscellaneous income	**2.94**	0.62
	29.08	16.55

Income-tax deducted at source - Rs. 1.01 crore (2010-2011 - Rs.0.64 crore)

2.22 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2012 Rs. Crores	Year ended March 31, 2011 Rs. Crores
Closing stock	**1,186.52**	864.40
Less: Opening stock	**864.40**	639.99
	(322.12)	(224.41)

2.23 EMPLOYEE BENEFITS EXPENSES

	Year ended March 31, 2012 Rs. Crores	Year ended March 31, 2011 Rs. Crores
Salaries, wages, bonus, gratuity, commission, etc.	**336.90**	303.95
Provident and other funds	**22.41**	20.41
Welfare	**18.12**	15.43
	377.43	339.79

2.24 FINANCE COSTS

	Year ended March 31, 2012 Rs. Crores	Year ended March 31, 2011 Rs. Crores
Interest expense	**108.71**	66.32
Other borrowing costs	**3.43**	3.15
Net loss on foreign currency transactions and translation	**48.15**	34.45
	160.29	103.92

2.25 OTHER EXPENSES

	Year ended March 31, 2012 Rs. Crores	Year ended March 31, 2011 Rs. Crores
Consumption of stores and spare parts	**215.19**	175.24
Power, fuel etc	**568.63**	465.40
Rent	**29.47**	27.22
Repairs		
Buildings	**7.99**	7.68
Plant and machinery	**28.44**	21.76
Donation	**0.19**	0.13
Insurance	**9.02**	8.71
Rates and taxes	**2.87**	2.66
Auditors' remuneration		
Audit fee	**0.90**	0.85
Tax audit	**0.08**	0.07
Limited reviews	**0.35**	0.32
Other services	**0.65**	0.85
Out-of-pocket expenses	**0.04**	0.05
Directors' fees	**0.09**	0.09
Bad debts and advances written off	**2.02**	1.11
Permanent diminution in value of investments	**1.08**	-
Provision for doubtful debts and advances	**4.38**	1.95
Freight and transport	**52.65**	41.61
Commission to selling agents	**4.78**	3.35
Brokerage, discounts (other than trade discounts), etc.	**4.26**	4.92
Selling expenses	**65.06**	60.29
Royalty	**36.05**	35.20
Loss on sale/write off of fixed assets	**10.48**	3.31
Increase/(decrease) in excise duty on finished goods	**6.18**	9.96
Exchange fluctuation	**(10.43)**	(5.46)
Miscellaneous expenses	**125.70**	122.88
	1,166.12	990.15
Less:- Cost of own manufactured goods capitalised	**(0.09)**	(0.08)
	1,166.03	990.07

2.26 CURRENT/ DEFERRED TAX

		Year ended March 31, 2012 Rs. Crores		Year ended March 31, 2011 Rs. Crores
Current tax	**6.88**		5.28	
Less:- MAT credit entitlement	**(5.24)**	**1.64**	(2.80)	2.48
Deferred Tax		**(4.01)**		(20.20)
		(2.37)		(17.72)

		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	**1.36**	1.36
	Excise Matters	**2.12**	2.17
	Additional Premium on Land	**8.11**	8.11
	Others	**5.91**	6.01
	Total	**17.50**	17.65

* 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) Capital commitments (net of advances)	**6.46**	21.42
(iii) Guarantees given to financial institutions, banks and other parties in respect of loans availed by other parties:		
Amount guaranteed	**1.85**	1.85
Amount of loans outstanding	**0.15**	0.32

4. In accordance with past practice, the Company has taken revenue credits aggregating Rs 9.15 crores (2010-11 - Rs. 27.00 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. **(a)** Provision for contingencies aggregating to Rs. 12.09 crores (2010-11 - 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.

(b) During the year, Government of Puducherry has acquired significant portion of the subsidiary's land under the Land Acquisition Act, 1894. Accordingly, the subsidiary's management has abandoned the aqua project. In view of the above, provision for contingencies amounting to Rs 4.09 crores related to this project is adjusted against the loss on write off of capital work in progress and pre-operative expenditure.

6. Segment reporting

A. Business segments :

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting" notified by the Companies (Accounting Standard) Rules, 2006 the Company's business segments include: Fertilisers (manufacturing of urea), Chloro-Vinyl (manufacturing of poly-vinyl chloride, carbide and chlor alkali products), 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 and agri businesses), Bioseed (production of hybrid seeds), Others (textiles, compounds, UPVC Window Systems, plaster of paris and compounds). 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.

d) Information about business segments:

Rs. Crores

PARTICULARS	Fertiliser		Farm Solutions		Bioseed		Sugar		Hariyali Kisaan Bazaar		Chioro-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)	500.79	467.48	1074.14	910.59	262.99	170.10	928.64	640.70	846.92	762.92	1055.58	844.31	160.33	139.36	374.22	343.68			5203.61	4279.14
Other Operating Income	4.96	3.92	0.92	0.11	1.48	1.72	13.67	1.22	3.34	5.27	6.52	2.82	0.38	0.38	1.72	1.33			32.99	16.77
Inter segment sales	-	-	12.78	13.14	126.94	119.26	6.03	0.86	3.15	5.80	53.46	37.38	-	-	4.00	0.01	206.36	176.45		
Total revenue	505.75	471.40	1087.84	923.84	391.41	291.08	948.34	642.78	853.41	773.99	1115.56	884.51	160.71	139.74	379.94	345.02	206.36	176.45	5236.60	4295.91
2. RESULTS																				
Segment results	20.03	29.30	60.47	45.52	61.82	37.81	30.63	(7.12)	(105.22)	(83.10)	178.18	93.35	15.06	16.41	(15.72)	(11.17)			245.25	121.00
Unallocated expenses (net of income)																			37.35	49.07
Operating Profit/(loss)	20.03	29.30	60.47	45.52	61.82	37.81	30.63	(7.12)	(105.22)	(83.10)	178.18	93.35	15.06	16.41	(15.72)	(11.17)			207.90	71.93
Interest expense and finance cost																			160.29	103.92
Profit/(loss) before tax and exceptional item																			47.61	(31.99)
Exceptional item - Differential cane price 2007-08																			38.06	-
Profit/(loss) before tax																			9.55	(31.99)
Provision for taxation																			(2.37)	(17.72)
Net Profit/(loss)																			11.92	(14.27)
3. OTHER INFORMATION																				
A. ASSETS																				
Segment assets	341.39	257.07	443.47	177.24	423.91	257.76	1595.78	1381.06	405.28	448.47	779.92	821.69	47.44	48.07	374.35	392.40			4411.54	3783.76
Unallocated assets																			217.09	102.13
Total assets	341.39	257.07	443.47	177.24	423.91	257.76	1595.78	1381.06	405.28	448.47	779.92	821.69	47.44	48.07	374.35	392.40			4628.63	3885.89
B. LIABILITIES																				
Segment liabilities	77.76	75.56	213.85	74.97	206.14	141.42	467.72	156.41	47.55	37.65	197.03	99.99	22.32	19.50	40.48	48.79			1272.85	654.29
Share capital and reserves																			1315.21	1306.37
Secured and unsecured loans																			1818.77	1692.16
Unallocated liabilities																			221.80	233.07
Total liabilities	77.76	75.56	213.85	74.97	206.14	141.42	467.72	156.41	47.55	37.65	197.03	99.99	22.32	19.50	40.48	48.79			4628.63	3885.89
C. OTHERS																				
Capital expenditure	9.49	4.72	0.40	0.59	6.14	9.04	10.17	11.71	5.59	4.41	21.98	14.17	4.92	3.14	11.03	16.98				
Depreciation	10.56	10.71	0.34	0.34	2.59	2.34	45.62	45.50	13.58	14.37	67.07	18.40	2.19	2.18	12.72	13.66				
Non cash expenses other than depreciation	-	-	0.33	-	4.84	2.45	-	0.16	6.14	0.08		0.08			5.39	0.26				

7. Disclosure in respect of assets taken on lease on or after April 1, 2001 under Accounting Standard AS-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. in 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	**1.07**	0.48	**0.28**	0.17	**0.79**	0.31
Less: Future finance charges	**0.13**	0.07	**0.04**	0.03	**0.09**	0.04
Present value of minimum lease payments at the balance sheet date	**0.94**	0.41	**0.24**	0.14	**0.70**	0.27

(iii) General description of the operating lease

(iii) General description of the operating lease

Assets Taken on Lease

(a) The Company has entered into lease agreements for lease of offices, retails outlets 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. in crores)

		This Year	Previous Year
(b)	Total of minimum lease payments	**2.68**	4.01
	The total of minimum lease payments for a period:		
	- Not later than one year	**1.86**	2.01
	- Later than one year and not later than five years	**0.82**	2.00
	- Later than five years	-	-
(c)	Lease payment recognised in statement of profit and loss for the year	**32.07**	29.47

Assets given on Lease

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

(Rs. in crores)

	Gross Block		**Accumulated depreciation**		**Depreciation for the year**	
	This year	Previous year	**This year**	Previous year	**This year**	Previous year
Land and building	**34.56**	38.14	**2.68**	2.74	**0.90**	0.90
Plant and Machinery	**0.42**	0.41	**0.13**	0.08	**0.05**	0.04
Furniture and Fittings	**1.22**	1.02	**0.72**	0.59	**0.13**	0.15
	36.20	39.57	**3.53**	3.41	**1.08**	1.09

(Rs. in crores)

		This Year	Previous Year
(b)	Future minimum lease payments receivables in respect of non-cancellable lease	**11.65**	8.08
	- Not later than one year	**0.34**	0.23
	- Later than one year and not later than five years	**1.46**	0.96
	- Later than five years	**9.85**	6.89

8. Earnings per share

	This Year	Previous Year
Net Profit/(loss) after tax and exceptional item (Rs. Crores)	**11.92**	(14.27)
Exceptional item, net of taxes of Rs. 7.31 Crores (Rs. Crores)	**(30.75)**	-
Net Profit/(loss) after tax but before exceptional item (Rs. Crores)	**42.67**	(14.27)
Weighted average number of equity shares outstanding	**165,903,320**	165,903,320
Basic and diluted earnings per share in rupees		
(face value – Rs.2 per share)		
- Before exceptional item	**2.57**	(0.86)
- After exceptional item	**0.72**	(0.86)

9. Related party disclosures under Accounting Standard 18

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

Holding company: Sumant Investments Private Limited

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. 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), M/s. Ajay S.Shriram (HUF), M/s. Vikram S.Shriram (HUF)

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

Key Managerial Personnel their relatives and HUFs

	Key Managerial Personnel their relatives and HUFs	
	This Year (Rs. in crores)	Previous Year (Rs. in crores)
Rent paid	**5.05**	4.17
Security deposit received back	**0.07**	0.07
Fixed deposit repaid	**0.11**	-
Loans and advances given (net)	**0.28**	-
Remuneration	**7.57**	6.87
Balance outstanding as at the year end		
- Security deposits for premises hired	**8.81**	8.88
- Fixed deposits	**-**	0.11
- Loans and advances	**0.28**	-

(Rs. in crores)

Nature of transactions	**Name**	**This year**	**Previous year**
Rent Paid	M/s Ajay S. Shriram (HUF)	**1.45**	1.26
	M/s Vikram S. Shriram (HUF)	**1.27**	1.05
	M/s Ajit S. Shriram (HUF)	**1.28**	1.11
	Mr. Rajiv Sinha	**0.45**	0.30
	Relatives of Key management personnel	**0.60**	0.45
		5.05	4.17
Security deposits received back	Mr. Rajiv Sinha	**0.04**	0.04
	Relatives of Key management personnel	**0.03**	0.03
		0.07	0.07
Loans and advances	Mr. Rajiv Sinha	**0.14**	-
	Relatives of Key management personnel	**0.14**	-
		0.28	-
Remuneration	Mr. Ajay S. Shriram	**1.90**	1.79
	Mr. Vikram S. Shriram	**1.72**	1.69
	Mr. Ajit S. Shriram	**1.46**	1.38
	Mr. Rajiv Sinha	**1.69**	1.30
	Mr. N.J. Singh	**0.41**	0.36
	Relatives of Key management personnel	**0.39**	0.35
		7.57	6.87

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

(Rs. in crores)

Particulars	This year	Previous year
Consumption of stores and spare parts	-	0.02
Salaries, wages, bonus, gratuity, commission etc.	**0.49**	0.40
Provident and other funds	**0.05**	0.02
Welfare	-	0.01
Rent	**0.01**	0.02
Freight and transport	-	0.01
Miscellaneous expenses	**2.99**	0.77
Depreciation	**0.06**	0.07
	3.60	1.32
Add: Brought forward from the previous year	**4.21**	3.03
Less: Capitalised during the year	**0.19**	0.14
Transferred to capital work-in-progress	**7.62**	4.21

11. Research and development expenses included under relevant heads in the statement of profit and loss Rs.27.20 crores (2010-11 – Rs. 22.68 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	**4**	5	**Hedging**	Hedging	**USD 2.00**	USD 2.50	**101.76**	111.49
Currency swap	**9**	7	**Hedging**	Hedging	**USD 6.64**	USD 4.54	**337.91**	202.25
Currency swap	**3**	3	**Hedging**	Hedging	**JPY 88.24**	JPY 175.73	**54.75**	94.64
Coupon swap	-	4	**Conversion of Indian Rupee denominated coupons into USD coupons**	Conversion of Indian Rupee denominated coupons into USD coupons	-	USD 0.50	-	22.30
Options	-	1	**Hedging**	Hedging	-	JPY 32.64	-	17.58
Options	**2**	-	**Hedging**	Hedging	**USD 0.97**	-	**49.35**	-
Commodity Futures	**2**	1	**Sale/ Purchase**	Sale/ Purchase	-	-	**0.58**	2.73
Commodity Futures	**2**	-	**Hedging**	Hedging	-	-	**2.16**	-

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**	**0.45**	USD 0.51	22.84
	-	-	JPY 12.64	6.81
Current liabilities	**USD 0.01**	**0.70**	USD 0.05	2.16
	EUR 0.002	**0.16**	EUR 0.002	0.15
Current Assets	**USD 0.01**	**0.45**	USD 0.13	5.73

13. Secured loan

a.	**Short term working capital borrowings from banks:**	
(i)	**Company**	
1.	Loans from banks on cash credit account of Rs.- 36.77 Crores (2010-11 – Rs. 107.55 Crores) are secured by first pari passu charge on whole of the current assets of the company (except Shriram Bioseed Genetics, Hyderabad), both present and future. 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. Amount of Rs. 1.36 Crores (2010-11–0.68 Crore) is secured by exclusive charge by way of hypothecation on current assets and mortgage/ hypothecation on the immovable and movable properties, both present and future of the Company's undertakings at Shriram Bioseed Genetics, Hyderabad.	
2.	Short Term Loan of Rs 529.11 Crores (2010-11- Rs. 97.56 Crores) are secured by first pari passu charge on whole of the current assets of the Company (except Shriram Bioseed Genetics, Hyderabad), both present and future 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.	
(ii)	**Subsidiaries**	
1.	**Bioseed Vietnam Limited** Loans from banks on cash credit account of Rs.- 16.65 Crores (2010-11 – Rs. 19.72 Crores) are secured by way of mortgage/ hypothecation of all the immovable/ movable properties.	
b.	**Long term loans from banks:**	
	Nature of Security	**Terms of Repayment**
(i)	**Company**	
1.	Term loans of Rs. 151.32 Crores (2010-11– Rs. 141.89 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 undertakings at Jhagadia, Distt Bharuch, Gujarat (Rs. 8.84 Crores due within 1 year; 2010-11-Nil)	- Rs. 75 Crores repayable in 12 Semi-Annual Installments - Rs. 76.32 Crores repayable in 10 Semi-Annual Installments
2.	Term loans of Rs. 58.07 Crores (2010-11– Rs. 96.72 Crores) are secured by way of first pari passu mortgage/charge created on immovable/movable fixed asset both present and future, of the Company's undertakings at Kota, Rajasthan (Rs. 42.07 Crores due within 1 year; 2010-11-Rs. 43.15 Crores)	- Rs. 24 Crores repayable in 6 Equal Semi-Annual Installments - Rs. 3.21 Crores repayable in 2 equal Quarterly Installments - Rs. 30.86 Crores repayable in 3 equal Quarterly Installments
3.	Term loan of Rs. 76.53 Crores (2010-11- Rs. 110.70 Crores) is secured by way of first pari passu mortgage/charge created on immovable/movable assets and book debts, both present and future, subject to any prior charges created in favour of the Company's bankers on the current assets for securing working capital borrowings pertaining to the Company's Ajbapur Sugar Complex, Uttar Pradesh and Hariawan Sugar Complex, Uttar Pradesh in equal proportion (Rs. 51.02 Crores due within 1 year; 2010-11-Rs. 44.27 Crores)	- Rs. 76.53 Crores repayable in 3 Equal Semi-Annual Installments
4.	Term loan of Rs. 101.76 Crores (2010-11– Rs. 89.19 Crores) is secured by way of first mortgage/charge created on immovable/movable assets, both present and future, subject to prior charges created in favour of Company's bankers on current assets for securing working capital borrowings, both present and future, pertaining to the Company's Loni Sugar Complex, Uttar Pradesh (Rs. Nil due within 1 year; 2010-11-Rs. Nil)	- Rs. 101.76 Crores repayable in 6 Equal Semi-Annual Installments starting from June 2013.
5.	Term Loan of Rs. 11.15 Crores (2010-11- Rs 12.86 Crores) is secured by way of equitable mortgage of Land/Building, both present and future, of SBM unit of the Company at Tonk, Rajasthan (Rs. 1.71 Crores due within 1 year; 2010-11-Rs. 1.71 Crores)	- Rs. 11.15 Crores repayable in 13 Equal Semi-Annual Installments
6.	Term Loans of Rs. 76.32 Crores (2010-11-Rs. Nil) & Rs. 25.44 Crores (2010-11-Rs. Nil) are secured by way of equitable mortgage/charge to be created on Immovable Properties of the Sugar Units located at Ajbapur Sugar Complex, Uttar Pradesh and Loni Sugar Complex, Uttar Pradesh respectively (Rs. Nil Due within 1 year; 2010-11- Rs. Nil)	- Rs. 101.76 Crores repayable in 8 Semi Annual Installments starting from October 2014
7.	Term loan of Rs. Nil Crores (2010-11- Rs. 23.51 Crores) is secured by way of residual mortgage/charge created on immovable/movable fixed assets, both present and future pertaining to the four sugar units of the Company, ie. Ajbapur Sugar Complex, Uttar Pradesh, Rupapur Sugar Complex, Uttar Pradesh, Hariawan Sugar Complex, Uttar Pradesh & Loni Sugar Complex, Uttar Pradesh (Rs. Nil due within 1 year; 2010-11- Rs. 23.51 crores)	

13. Secured loan (Continued)

c.	Long term loans from others:	
	Nature of Security	**Terms of Repayment**
(i)	**Company**	
1.	Term loans of Rs. 4.50 Crores (2010-11 – Rs. 9.00 Crores) & Rs. 3.00 Crores (2010-11-Rs. Rs. 6.00 Crores) are secured by way of first pari passu mortgage on immovable properties and first charge by way of hypothecation of all movables (save and except book debts), both present and future, subject to prior charges created in favour of the Company's bankers on the current assets for securing working capital borrowings of the Company's undertakings at Kota, Rajasthan and Jhagadia, Distt Bharuch, Gujarat respectively (Rs. 7.50 Crores due within 1 year; 2010-11-Rs. 7.50 Crores)	- Rs. 7.50 Crores repayable in 1 Annual Installment
2.	Term loan of Rs. 254.40 Crores (2010-11- Rs. 222.98 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. 19.58 Crores due within 1 year; 2010-11-Rs. Nil)	- Rs. 254.40 Crores repayable in 13 equal Semi-Annual Installments Starting from December 2012
3.	Term loan of Rs. 71.23 Crores (2010-11- Rs 80.27 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. 20.35 Crores due within 1 year; 2010-11-Rs. 17.85 Crores)	- Rs. 71.23 Crores repayable in 7 Equal Semi-Annual Installments
4.	Term loans of Rs. 30.96 Crores (2010-11- Rs. 34.10 Crores) are 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. 3.13 Crores due within 1 year; 2010-11-Rs. 3.13 Crores)	- Rs. 1.94 Crores repayable in 1 Annual Installment - Rs. 2.38 Crores repayable in 4 Equal Semi- Annual Installments - Rs. 26.64 Crores repayable in 5 Equal Annual Installments starting from May 2014
5.	Term loan of Rs. 20.15 Crores (2010-11– Rs. 21.58 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. 4.48 Crores due within 1 year; 2010-11-Rs. 3.92 Crores)	- Rs. 20.15 Crores repayable in 9 Equal Semi-Annual Installments
6.	Term loan of Rs. 16.40 Crores (2010-11– Rs. 16.40 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 1year; 2010-11-Rs. Nil)	- Rs. 16.40 Crores repayable in 20 Quarterly Installments starting from June 2012
7.	Term loan of Rs. 14.24 Crores (2010-11– 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; 2010-11-Rs. Nil)	- Rs. 14.24 Crores repayable in 5 Annual Equal Installments starting from December 2016
8.	Term loans of Rs. 4.65 Crores (2010-11- Rs. 6.97 Crores) are secured by way of Bank Guarantee which in turn is secured by first charge on whole of the current assets (except Shriram Bioseed Genetics, Hyderabad) of the Company, both present and future 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 (Rs. 2.32 Crores due within 1year; 2010-11-Rs. 2.32 Crores)	- Rs. 4.65 Crores repayable in 2 Equal Annual Installments
9.	Term Loan of Rs. 10.75 Crores (2010-11- Rs. Nil 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. Nil due within 1year; 2010-11-Rs. Nil)	- Rs. 10.75 Crores repayable in 10 Equal Semi- Annual Installments starting from March 2015
(ii)	**Subsidiaries**	
1.	**Bioseed Research India Private Limited**	
	Term loan of Rs. 3.07 Crores (2010-11 – Rs. 1.43 Crores) from Department of Biotechnology, Government of India is secured against hypothecation of plant and machinery, machinery spares, tools and accessories acquired from loan proceeds (Rs. 0.29 Crore due within 1 year, 2010-11 – Rs. 0.03 Crore)	- Rs. 0.26 Crore repayable in 9 equal annual installments - Rs. 2.57 Crores repayable in 10 equal annual instalments - Rs. 0.24 Crore repayable in 10 equal annual installments to be commenced after completion of the project
2.	**Shri Ganpati Fertilizers Limited**	
	Loan of Rs. 0.15 Crore (2010-11 – Rs. 0.16 Crore) is secured by hypothecation of assets purchased (Rs. 0.15 crores due within 1 year; 2010-11- Rs. 0.16 crores)	- Rs. 0.15 crores repayable in 12 monthly instalments

14. Deposits received under Section 58 A of the Companies Act, 1956 are repayable upto March 2015 based on the maturity dates (Rs. 8.76 crores due with in 1 year; 2010-11 – Rs. 7.86 crores).
15. During the year, the company has re-assessed the value of investments in Ellenbarie Commercial Limited, based on the valuation by an independent reputed professional firm. Accordingly, Rs. 1.08 crores (2010-11 Rs. Nil) on account of permanent diminution in the value of investment has been debited to the statement of profit and loss.
16. **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. in crores)

	This Year	Previous Year
- Employers' contribution to provident fund	**15.84**	14.43
- Employers' contribution to superannuation fund	**6.57**	5.98
- Employers' contribution to employees' state insurance corporation	**0.50**	0.70

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)		Compensated absences: 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%**	8%	-	-	-	-
In service mortality	*	*	*	*	*	*
Retirement age	**58/60**	58/60	**58/60**	58/60	**58/60**	58/60
Withdrawal rates:	**years**	years	**years**	years	**years**	years
- 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	4.33	3.44	3.09	3.00	1.59	1.12
Interest cost	5.11	4.39	2.12	1.68	1.39	1.07
Expected return on plan assets	(0.08)	(0.06)	-	-	-	-
Net actuarial(gain) / loss recognised in the year	3.39	4.69	1.79	2.34	(1.13)	(0.61)
Pasr service cost	-	0.70	-	-	-	-
Total expense	**12.75**	13.16	**7.00**	7.02	**1.85**	1.58
II. Net asset/(liability) recognised in the balance sheet						
Present value of Defined benefit obligation	69.58	62.36	28.39	25.44	17.77	15.92
Fair value of plan assets	0.95	0.78	-	-	-	
Funded status [(deficit)]	(68.63)	(61.58)	(28.39)	(25.44)	(17.77)	(15.92)
Net asset/(liability)	**(68.63)**	(61.58)	**(28.39)**	(25.44)	**(17.77)**	(15.92
Non-current liability	**(57.62)**	(52.76)	**(26.44)**	(22.65)	**(13.19)**	(12.14)
Current liability	**(11.01)**	(8.82)	**(1.95)**	(2.79)	**(4.58)**	(3.78)

(Rs. Crores)

	Gratuity (Partially funded)		Compensated absences Earned leave (Unfunded)		Compensated absences Sick leave (Unfunded)	
	This Year	Previous Year	**This Year**	Previous year	**This Year**	Previous year
III. Change in the present value of obligation during the year						
Present value of obligation as at the beginning of the year	62.36	53.52	25.44	21.03	15.92	13.95
Interest cost	5.11	4.39	2.12	1.68	1.39	1.16
Current service cost	4.33	3.44	3.09	3.00	1.59	1.21
Benefits paid	(5.61)	(4.78)	(4.05)	(3.19)	-	-
Actuarial (gains) / losses on obligation	3.39	4.69	1.79	2.34	(1.13)	(0.57)
Amalgamations	-	0.40	-	0.58	-	0.17
Past service cost	-	0.70	-	-	-	-
Present value of obligation as at the end of the year	**69.58**	62.36	**28.39**	25.44	**17.77**	15.92
IV. Change in the fair value of assets during the year						
Fair value of plan assets at the beginning of the year	0.78	0.55	-	-	-	-
Expected return on plan assets	0.07	0.06	-	-	-	-
Employer Contribution	0.15	0.23	-	-	-	-
Actual benefits paid	(0.06)	(0.07)	-	-	-	-
Actuarial (gains) / losses on planned assets	0.01	-				
Fair value of plan assets at the end of the year	0.95	0.77	-	-	-	-
Actual return on plan assets	-	-	-	-	-	-

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.

* LIC (1994-96) duly modified

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

Particulars	2011-12			2010-11			2009-10			2008-09			2007-08		
	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	**69.58**	**28.39**	**17.77**	62.36	25.44	15.92	53.91	21.61	14.12	47.42	18.41	12.68	41.11	15.55	11.27
Fair value of plan assets at the end of the year	**0.95**	-	-	0.78	-	-	0.55	-	-	0.40	-	-	0.28	-	-
Net liability recognised in balance sheet	**(68.63)**	**(28.39)**	**(17.77)**	(61.58)	(25.44)	(15.92)	(53.36)	(21.61)	(14.12)	(47.02)	(18.41)	(12.68)	(40.83)	(15.55)	(11.27)
Net actuarial (gain)/ loss recognised	**3.39**	**1.79**	**(1.13)**	4.69	2.34	(0.57)	2.26	1.33	(0.61)	2.14	0.83	(0.57)	2.62	0.23	(0.38)

17. 'Excise duty' on sales has been deducted from gross sales on the face of profit and loss account. 'Increase/ (decrease) in excise duty on finished goods' has been shown under the head 'Other expenses" in note 2.25.
18. Schedule VI directing the preparation, disclosure & presentation of financial statements has been revised effective from 1st April, 2011. Accordingly previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.
19. Notes 1 to 19 form an integral part of the financial statements.

Signatures to Notes 1 to 19

VIKRAM S. SHRIRAM
Vice Chairman & Managing Director

AJAY S. SHRIRAM
Chairman & Sr. Managing Director

B.L. SACHDEVA
Company Secretary

N.J. SINGH
S.S. BAIJAL
ARUN BHARAT RAM
PRADEEP DINODIA
VIMAL BHANDARI
SUNIL KANT MUNJAL
Directors

New Delhi
May 11, 2012

AJIT S. SHRIRAM
Dy. Managing Director

RAJIV SINHA
Jt. Managing Director

Subsidiary Companies' Particulars

Particulars regarding subsidiary companies pursuant to General Circular No. 2/ 2011 dated February 8, 2011 from Ministry of Corporate Affarirs Government of India Year Ended March 31,2012

Rs. Crores

Name of the Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
DCM Shriram Credit and Investments Limited	6.00	(3.49)	8.74	6.23	2.15	(0.21)	0.03	(0.24)	-
Bioseed India Limited	0.05	(0.03)	0.02	@	-	#	-	#	-
DCM Shriram Infrastructure Limited	0.05	(0.81)	26.94	27.70	-	(0.04)	-	(0.04)	-
DCM Shriram Thermal Energy Limited	0.05	(0.06)	$	0.01	-	^	-	^	-
Shriram Bioseed (Thailand) Limited	3.35	(9.78)	6.68	13.11	2.34	(3.58)	-	(3.58)	-
Bioseeds Limited	11.21	30.45	47.27	5.61	1.76	1.32	0.01	1.31	-
Bioseed Vietnam Limited	5.06	11.48	59.10	42.56	31.72	2.42	0.16	2.26	-
Bioseed Research Philippines, Inc.	5.16	8.49	57.12	43.47	65.15	3.16	0.92	2.24	-
Bioseed Research India Private Limited	0.37	47.93	62.16	13.86	51.90	26.21	0.02	26.19	6.74
DCM Shriram Aqua Foods Limited	8.35	(5.33)	3.25	0.23	1.88	(0.32)	-	(0.32)	-
DCM Shriram Energy and Infrastructure Limited	0.20	(0.20)	@@	0.01	-	##	-	##	-
Shriram Bioseed Ventures Limited	4.05	16.33	63.88	43.50	1.48	0.86	0.20	0.66	-
Shriram Bioseeds Limited	1.54	65.42	75.38	8.42	0.51	(0.05)	-	(0.05)	-
Hariyali Rural Foundation	0.01	@@@	0.02	0.01	0.07	#	-	#	-
Hariyali Rural Ventures Limited	1.00	(2.43)	27.19	28.62	0.03	(0.62)	0.01	(0.63)	-
Zeus Investments Limited	2.60	(2.65)	0.02	0.07	-	(0.03)	-	(0.03)	-
DCM Shriram Hydro Energy Limited	0.15	(0.15)	$$	^^	##	^^^	-	^^^	-
SBM Yarn Limited	0.05	(0.01)	0.04	@	-	^	-	^	-
Fenesta India Limited	0.05	0.01	1.92	1.86	3.56	0.03	0.01	0.02	-
Shri Ganpati Fertilizers Limited	2.15	(7.19)	14.94	19.98	41.48	0.50	-	0.50	-
Hariyali India Limited	0.05	(0.01)	0.04	*	$$$	**	-	**	-
Hariyali Insurance Broking Limited	0.50	(0.45)	0.18	0.13	0.07	(0.09)	-	(0.09)	-
Bioseeds Holdings PTE Limited	3.30	0.36	34.80	31.14	1.39	(0.08)	-	(0.08)	-
Shridhar Shriram Foundation	0.05	(0.01)	0.05	!	-	!!	-	!!	-
PT Shriram Seed Indonesia	0.51	(1.40)	2.42	3.31	-	(1.55)	(0.35)	(1.20)	-

Exchange Rate as at 31.3.2012
1 USD = INR 50.88
1 Baht = INR 1.6847
@ - Rs. 17000, # -(Rs 22000), $ - Rs. 10000 , ^ - (Rs 18000), @@ - Rs. 21000, ## - (Rs. 32000), $$ - Rs. 3000 , ^^ - Rs. 32000, * - Rs. 15000, $$$- Rs. 20000, @@@- Rs. (40000), ^^^ - (Rs. 21000), ** - (Rs. 4000), ! - Rs.11000, !!- (Rs.13000)

Details of Investments(other than in subsidiaries) are as follows:

DCM Shriram Credit and Investments Limited	**Rs. Crores**
763.959 US-2002 of Unit Trust of India of Rs. 10/- each fully paid up (# Rs.5,000)	#
National Saving Certificates (## Rs.9,000)	##
5,400 Master Gains 92 of Unit Trust of India of Rs. 10/- each fully paid up (### Rs.47,000)	###
1,40,000 equity shares of IFCI Ltd. of Rs.10/- each fully paid up	0.06
66,037 equity shares of Bank of Baroda of Rs. 10/- each fully paid up	1.52
20,108 equity shares of Gujrat State Petronet Ltd of Rs. 10/- each fully paid up	0.05
3,430 equity shares of Punjab National Bank of Rs.10/- each fully paid up	0.13
17,870 equity shares of Yes Bank Ltd of Rs. 10/- each fully paid up	0.08
6,53,592 equity shares of NICCO Corporation Limited of Rs. 6.12/- each fully paid-up	0.40
49,950 equity shares of Pacific Land Development Pvt. Ltd. of Rs. 10/- each fully paid up	0.05
3,00,000 equity shares of E Commodities Ltd. of Rs. 10/-each fully paid up	0.30
2,00,000 equity shares of Ellenbarie Commercial Ltd. of Rs. 10/-each fully paid up	0.42
40,000 equity shares of BMD Estates Pvt. Ltd of Rs. 10/-each fully paid up	-
5,00,000 equity shares of Forech India Ltd of Rs. 10/-each fully paid up, Rs. 4/- paid up	1.75
Other Subsidiaries	**Nil**

The Company will make available the annual accounts and related detailed information of the subsidiary companies upon request to the shareholders of the holding and the subsidiary companies. These shall also be kept for inspection at the head office of the Company and the subsidiary companies.

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