



**DCM SHRIRAM**

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# Corporate Information

## Registered Office

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

## Bankers

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

## Statutory Auditors

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

## Cost Auditors

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

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## Board of Directors

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

## Company Secretary

Shri B.L. Sachdeva

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## Audit Committee

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

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

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

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

*(It is confirmed that annual listing fee for the financial year 2014-15 has been paid by the Company to the above Stock Exchanges.)*

# 02

## CMD/VCMDs Message



Dear Friends,

We are pleased to report a sustained healthy financial performance for the year. Our efforts over last couple of years to build inherent strength in our operations, has enabled us to deliver consistent results. The key steps taken in this direction are:

1. Sustained cost rationalization initiatives across manufacturing operations using innovative measures, to enable cost competitiveness of products in the market place. In the current year the Company commissioned another Electrolyser to enable cost effectiveness in Chlor-Alkali business.
2. Developing Bioseed and Shriram Farm solutions into substantial businesses
3. Focused efforts on Sugarcane development has led to achieving higher sugar recovery
4. Fenesta Business has been turned around with breakeven at operating level, and is set for the next level of growth.
5. Conserving healthy cash flows has provided financial strength and flexibility to grow in future.

The Company has over the period made some changes in its business portfolio:

1. Rationalization of Hariyali Business has ensured that the Company is not losing anymore cash in this business.
2. It has entered into a 50:50 Joint venture for its Polymer compounding business with Axiall LLC USA. The JV will be able to access latest technology from Axiall and add value to its product portfolio.

3. It has completely exited the Textile business.

The steps taken to strengthen the Company are reflected in its strong financials and have laid the foundation for the Company to enter growth phase and deliver better returns. The Company is evaluating various growth options which include expansion in Chlor Alkali, adding value to Sugar by-products, building stronger product portfolio and supply chain in Farm Inputs, and further strengthening the cost structures.

Going forward we expect the Company to consolidate the steps taken over last few years to deliver sustained performance and enable future growth.

Your Company's commitment towards investing in its people resources has been strong. We are fortunate to have the talent as we see today in our organization, across all disciplines and at all levels. Their dedication has helped in making DCM Shriram Ltd. the company it is today.

High standard of corporate governance is a strong focus in your Company. We are continuously taking steps to strengthen and update the same by adopting and institutionalizing best practices.

As a responsible corporate citizen, we continue to pursue initiatives relating to education, health, infrastructure, farm income etc., which are aimed at improving the well being of society.

We would like to express our gratitude to all members of the board, employees, suppliers, customers, business associates, government agencies, lenders and shareholders who have played an important part in our progress across varied businesses. With their support, we are confident of delivering superior value to all our stakeholders.

With best wishes,



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



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

# 03

## Our Businesses

### 1. Chloro-Vinyl Businesses:

- 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 stands at 835 TPD.
- ii. **Plastics Business:** This is highly integrated business covering manufacture of PVC resins and Calcium Carbide with captive production of Acetylene, Chlorine and Coal based power located at Kota.

### 2. Agri-Input Businesses:

- i. **Fertilizer:** The Company has the 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% Natural Gas.
- ii. **Shriram Farm Solutions:** This business provides complete basket of Agri-inputs to the farmer 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:** 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 is present in both Field and Vegetable Crops in India. In Philippines and Vietnam the business is present primarily in Corn. The Company has also started test marketing of Corn in Indonesia.

3. **Sugar:** 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:** The Company has rationalized this business and discontinued the retail operations except for sale of fuel.

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

6. **Fenesta Building Systems** manufactures UPVC windows (Un-Plasticized PVC) and door systems under the brand "Fenesta". The business offers complete solutions starting from Design, Fabrication to Installation at the customer's site.

### 7. Other Businesses:

- i. **Textiles:** The Company has a small textile operation in the form of 14,544 spindles spinning unit at Tonk in Rajasthan.
- ii. **PVC Compounding:** The business operates under a 50:50 Joint Venture with Axiall LLC (subsidiary of Axiall Corporation – a leading international manufacturer of Chloro-Vinyl) w.e.f April 2014.

## Financial Highlights

(Rs. Crores)										
Financial Highlights										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net Sales										
- Own Products	1375.7	1735.1	1945.8	2211.0	2711.3	2487.8	2419.5	3085.2	3715.4	3952.7
- Traded	493.2	656.8	821.5	363.0	789.5	1031.4	1715.0	1921.0	1801.5	2206.3
- Total	1868.9	2391.9	2767.4	2573.9	3500.8	3519.2	4134.5	5006.2	5516.9	6159.0
PBDIT #	235.3	295.1	239.6	218.0	400.3	367.6	231.9	364.8	574.1	558.9
Finance Cost	34.7	49.4	79.1	87.6	150.4	88.6	103.9	160.3	154.8	148.6
PBDT	200.6	245.7	160.5	130.4	249.9	279.0	128.0	204.5	419.2	410.3
Depreciation & Misc. exp. w/off	57.3	73.2	93.4	123.7	148.7	163.0	160.0	156.9	146.8	137.9
PBT	114.8	172.5	67.1	6.7	101.1	116.1	-32.0	47.6	272.5	272.4
Exceptional Items				779.6		6.5		-38.1	-53.6	
Profit After Tax*	107.7	121.0	43.4	-1.3	122.6	84.3	-14.3	11.9	202.9	242.4
Cash Profit**	162.8	226.6	160.2	126.6	241.9	267.8	125.5	202.9	406.3	360.4
Share Capital - Equity	16.8	33.3	33.3	33.3	33.3	33.3	33.3	33.3	33.3	32.8
Net Worth	443.2	525.5	554.1	1149.3	1268.5	1329.6	1306.4	1315.2	1495.4	1686.6
Deferred Tax Liability	95.4	146.7	170.1	171.2	143.9	176.3	156.1	152.1	155.1	135.2
Long Term Loans	504.7	740.2	789.5	991.0	1234.4	1090.0	919.6	965.7	836.7	746.4
Short Term Loans	201.1	344.9	757.7	792.5	752.7	370.9	771.6	852.7	720.4	430.9
Total Loans (Gross)	705.7	1085.1	1547.2	1783.4	1987.1	1460.9	1691.3	1818.4	1557.1	1177.3
Total Loans (Net)	705.7	1085.1	1547.2	1755.6	1943.1	1503.1	1685.0	1571.3	1435.9	683.1
Total Assets	1676.7	2369.4	3191.1	3634.3	4042.7	3654.2	3885.9	4628.6	4751.2	4852.3
<b>Earnings per share (Rs.) ***</b>	6.3	7.1	2.6	-0.1	7.4	5.1	-0.9	2.6	15.3	14.6
<b>Dividend per share (Rs.)***</b>	1.6	0.9	0.8	3.3	0.8	0.8	0.4	0.4	1.6	2.0
Ratios										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Return on Net Worth %	27.7	25.0	8.0	-	10.1	6.5	-	0.9	14.4	15.2
Operating Margin %	12.6	12.3	8.7	8.5	11.4	10.4	5.6	7.3	10.4	9.1
PAT to Net Sales %	5.8	5.1	1.6	-	3.5	2.4	-	0.2	3.7	3.9
Total Loans (Gross)/PBDIT	3.0	3.7	6.5	8.2	5.0	4.0	7.3	5.0	2.7	2.1
Total Loans (Gross)/Net Worth	1.6	2.1	2.8	1.6	1.6	1.1	1.3	1.4	1.0	0.7

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

# 05

## Core Values and Beliefs

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

### Agility & Execution

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

### Deliver Value

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

### Openness & Learning

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

### Respect & Human Dignity

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

### Relationships and Human Dignity

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

### Governance & responsibility

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

Let's make these a way of life



## 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 Stakeholders Relationship Committee of the Company. Presently, he is the President of Confederation of Indian Industry (CII) and also Chairman of the Governing Body of Shriram College of Commerce. He has also been President & Chairman of International Fertilizer Industry Association (IFA), Paris.

**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 Stakeholders Relationship Committee of the Company.

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

**Shri K.K. Kaul**, Whole Time Director (DIN No. 00980318), is a Director of the Company since 2.7.2014. He joined the Company in 1980 as Asst. Plant Superintendent. He graduated in BE First class First (Honors) in Chemical and Doctorate Degree in Human Letters (Honorius Causa). Later, he attended Integrated Management Development course at Administrative Staff College, Hyderabad in the year 1989-90 and the Executive Programme, in 2000 at Darden Graduate School of Business Administration, University of Virginia, USA .

**Dr. N.J. Singh**, Whole Time Director (EHS) (DIN No. 01893202), is a Director of the Company since 20.11.2007. He joined the Company in 1983 as Pollution Control Engineer. He holds M.Sc., Ph.D. Degrees and had worked as 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 a Member of the Stakeholders Relationship 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 Stakeholders Relationship Committee and a 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 Sharad Shrivastva**, a nominee of Life Insurance Corporation of India (LIC), is a Non-Executive Director (DIN No.01271854) of the Company since 2.7.2014. He is B.A. from Allahabad University & Associate Member of Insurance Institute of India- Mumbai. He joined LIC in 4.4.1983 and has worked in various branches/Divisional Offices/LIC HFL/ Insurance Institute of India/Zonal Manager(I/C) since then.

# 07

## Senior Executive Team

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

Shri Ajay S. Shriram

Chairman & Senior Managing Director

Shri Vikram S. Shriram

Vice Chairman & Managing Director

Shri Ajit S. Shriram

Joint Managing Director

Shri K.K. Kaul

Whole Time Director

Dr. N.J. Singh

Whole Time Director (EHS)

Shri A.K. Awasthi

Chief Executive – Hydro Business

Shri Sovan Chakrabarty

Executive Director – Shriram Farm Solutions

Shri J.K. Jain

Executive Director & CFO

Shri Rajesh Gupta

President & Head – Corporate Strategy

Shri Anil Kumar

President & Business Head - Chemicals

Dr. Sharad Sharma

President – Bioseed South Asia

Dr. Paresh Verma

President - South East Asia & Research Director – Bioseed Research India

Shri Alexander W. Murphy

President & Business Head – Fenesta™ Building Systems

Shri Sushil Baveja

President & Head – Corporate HR

Shri M. Muthujyothi

President & Business Head – Sugar

Shri Rajat Mukerjei

Senior Vice President and Business Head – Cement

Shri B.L. Sachdeva

Company Secretary

### Subsidiaries

Shri J.V. Ratnam

Country Head – Bioseed Vietnam Ltd.

Shri Rajeev V. Nayak

Country Head – Bioseed Research Philippines Inc.

Shri Joseph Abraham Anand

Country Head – PT. Shriram Seed, Indonesia

### Joint Venture

Shri Rajiv Arora

President & Business Head – Shriram Axiall Private Ltd.

## Management Discussion and Analysis

### Performance Review

The company continued to deliver robust performance for the year, driven by higher earnings in the Chloro-Vinyl business and Shriram farm Solutions business, operating breakeven in Fenesta business and elimination of losses in the Hariyali business. However the earnings were adversely impacted due to losses in international Bioseed operations (a one-time exercise was carried out to clear the trade channel and the old/expired inventory), negative margins in Sugar business and losses in cement business.

The Company's policy to conserve cash has led to substantial reduction in debt and has strengthened the financial position.

1. Net Revenues were higher by 11.6% at Rs. 6,182.2 crores in FY 14 as compared to Rs. 5,538.9 crores in the previous year. Net Revenues (excluding Hariyali Business) grew by 15%. This increase in revenues during the year was primarily driven by growth in Shriram Farm Solutions (+37%), Fertilizers (+19%) and Sugar (+12%) businesses.
  - **Shriram Farm Solutions:** Revenues for FY 14 were higher by 37% at Rs. 1,779 crores. Sales of Value Added Inputs and Bulk fertilisers grew strongly increasing by 38% and 36%, respectively, during the year.
  - **Fertilizer:** The Fertilizer business' revenue increased by 19% to Rs 625 crores in FY 14 on account a 5% increase in sales volumes (FY 13 had a scheduled maintenance shutdown) and a 14% increase in realizations driven by higher input costs which are a pass through.
  - **Sugar:** Revenues were higher by 12% at Rs. 1,500 crores due to 17% increase in sales volumes. However realizations for the year softened by 7%.
2. Profit before interest, exceptional items and tax (PBIT) stood at Rs 421 crores as compared to Rs. 427 crores in the previous year

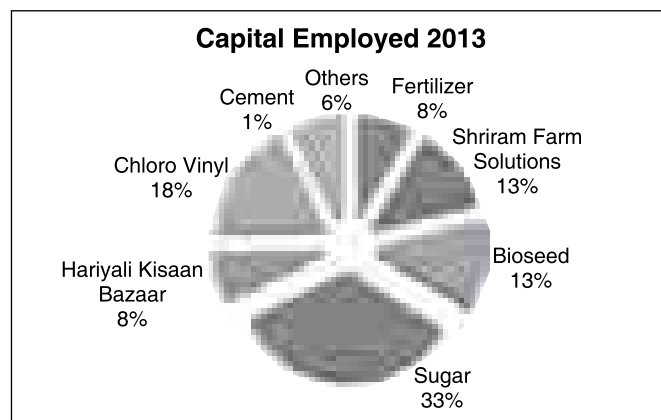
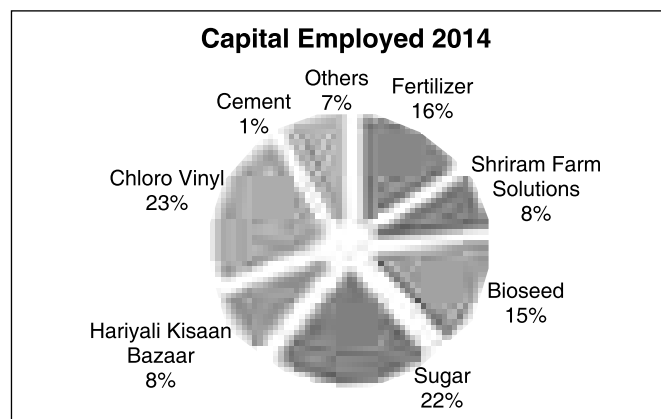
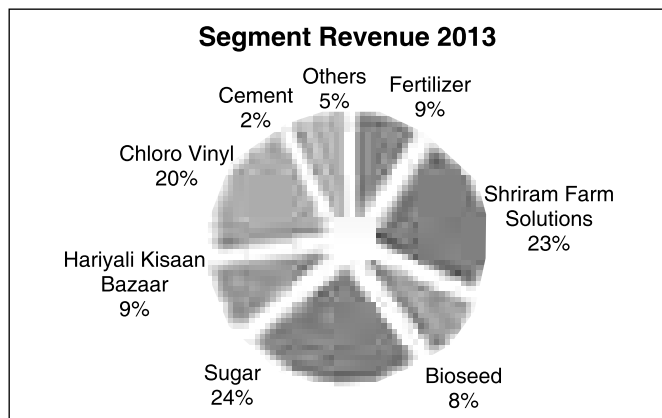
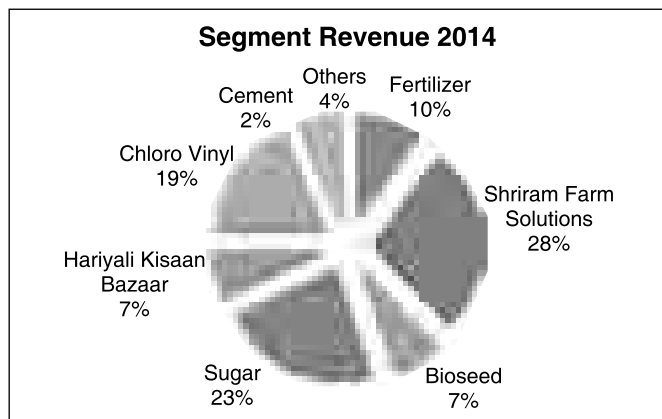
### PBIT Consolidated (before exceptional items)

Particulars	FY 2014		FY 2013	
	Rs Crores	% of Total	Rs Crores	% of Total
<b>Agri Input</b>				
- Fertilizers	23.2	4.7	11.1	2.1
- Shriram Farm Solutions	81.0	16.5	50.8	9.4
- Bioseed	4.2	0.9	51.6	9.6
<b>Sub-Total</b>	<b>108.4</b>	<b>22.1</b>	<b>113.5</b>	<b>21.0</b>
Sugar			64.5	12.0
Chloro Vinyl	374.3	76.2	344.1	63.8
Cement			17.3	3.2
Hariyali Kisaan Bazaar	8.3	1.7		
<b>Total</b>	<b>491.0</b>	<b>100.0</b>	<b>539.4</b>	<b>100.0</b>
Sugar	(5.4)			
Cement	(0.3)			
Hariyali Kisaan Bazaar			(34.8)	
Other Businesses	(9.2)		(32.8)	
Unallocated Expenditure	(55.0)		(44.5)	
<b>Grand Total</b>	<b>421.0</b>		<b>427.3</b>	

- **Chloro-Vinyl:** PBIT from the Chloro Vinyl business was up by 9% to Rs. 374 crores essentially due to PVC resins wherein the realizations were higher by 14% and sales volumes by 11%. The margins remain healthy with sustained measures to contain rising input costs.
- **Shriram Farm Solutions:** PBIT in this business for FY14 was higher by 59% at Rs. 81 crores on account of strong earnings growth in the Value Added Inputs portfolio. The net earnings from DAP/MOP were under stress due to adverse demand and supply conditions and high working capital including subsidy outstanding.
- **Fertilizer:** PBIT in FY 14 was higher by 110% at Rs 23.2 crores on account of higher volumes as well as energy savings led by improved efficiencies. The overall profitability continues to get affected by the high level of subsidy outstanding.
- **Bioseed:** PBIT in FY14 declined to Rs 4.2 crores in FY 14, down from Rs 51.6 crores in FY 13. The business earnings were adversely affected due to the one time exercise carried out to clear the trade channel and the old/expired inventory. The Indian operations on the other hand continued healthy performance with earnings rising by 25% during FY 14.

- **Sugar:** PBIT stood at -ve Rs 5.4 crores in FY 14 as compared to +ve Rs 64.5 crores in the previous year due to swing in margins to -ve Rs 234 per Qtl from +ve Rs 196 per Qtl. Prices have improved post Feb 14, but still are below the level required for profitable operations.
  - **Cement:** PBIT stood at -ve Rs. 0.3 crores vis-à-vis a PBIT of +ve Rs. 17.3 crores in FY 13. The business suffered from the dual impact of rising input costs amid sluggish demand that weighed down on the profit margins.
3. **Finance Costs** – Finance costs during FY14 were lower by 4% at Rs. 149 crores due to decline in Debt during the year. Net Debt stood at Rs. 683 crores as compared to Rs.1,436 crores in FY 13.
  4. Net Profit stood at Rs. 242 crores as compared to Rs. 203 crores in the previous period.
  5. The Board of Directors has recommended a dividend of 100% for the year as compared to 80% in the previous year.

#### Business Mix



## Business – Wise Performance Review and Outlook

### Agri - Businesses

#### Fertilizer (Urea)

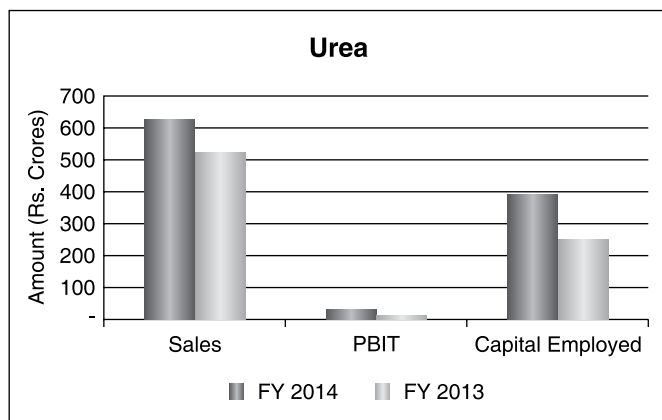
DCM Shriram's Fertilizer Plant is one of the oldest plants in the country with a reassessed capacity of 3,79,500 TPA of Urea at its integrated manufacturing complex at Kota, Rajasthan. Over the last 5 decades of operations, our brand 'SHRIRAM' has developed a strong presence in the rural market and is identified with quality and reliability. The Company has an extensive distribution network over the entire Northern and Central India. The plant is capable of operating on dual feed of Natural gas and Naphtha. It has been operating on Natural gas since May 2009.

## Business Performance

The Revenue, PBIT and Capital employed for this business for FY14 along with the quantitative data is as follows:

Particulars	FY 14 (Rs/Crores)	FY 13 (Rs/Crores)
Sales	625.4	525.9
PBIT	23.2	11.1
Capital employed	389.8	252.1

Year	Sales (MT)	Realizations (Rs./MT)
FY 14	403,608	15,432
FY 13	385,354	13,553
% Change	4.7	13.9



Improved earnings during the year reflect higher volumes and energy savings on account of improved efficiencies. Lower volumes in FY 13 were a result of scheduled maintenance shutdown undertaken once every two years. In FY 14, the NPS III pricing Policy based on the old cost data of 2002-03 continued which led to substantial under recoveries of costs during the year.

High level of subsidy outstanding continued to impact the performance of the business, partially eased by 'Special banking arrangements' by the Government to provide loans against subsidy.

Further, in order to avail benefit of government policy on fortified fertilizer, 141,503 MT of Urea was converted into Neem Coated Urea which is the maximum allowed as per current policy.

## Industry Overview and Outlook

India is the second largest producer and consumer of Urea in the world. Urea is the most preferred

fertilizer and constitutes about 72% of entire fertilizer consumption in the country. Urea is the preferred choice of farmers in India on account of its low farm gate price (fixed by government) and high nitrogen content. The demand and consumption of Urea has been growing and the gap in demand/supply is currently being met by imports. During FY 14, total Urea production in India stood at ~ 22.7 Million MT. 7 Million MT of Urea was imported into India during the year to meet the domestic demand.

In FY 15, Government has notified a revised policy for one year with a marginal upwards revision of fixed costs at Rs. 500 per MT. This is expected to partially compensate for the increased costs and reduce the under recoveries in FY15. We hope that the Government will take steps to finalize a long term policy which will ensure long-term viability of the existing capacity and provide confidence to the industry to take steps to enhance capacity levels and help in reducing the country's dependence on imports.

## Our Strategy

The company has been focused on continuously improving its operating efficiencies and reducing energy consumption along with focusing on initiatives which will help in containment of fixed expenses.

## Shriram Farm Solutions

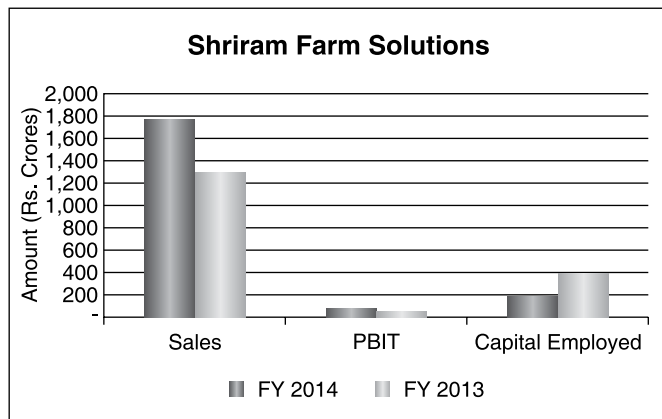
Shriram Farm Solutions business provides a complete range of farm inputs which include the Value added inputs such as Seeds (GM, Hybrid and OP), Crop Care Chemicals (Insecticide, Fungicide and Herbicide), Soluble Fertilizers, Micro-Nutrients etc and Bulk Fertilizers like DAP, MOP and SSP. The Company not only aims to provide wide range of quality inputs, but also strives to provide customized solutions which include providing customized inputs by leveraging local knowledge and creating package of practices which will help farmers in enhancing their levels of productivity and profitability. The business is supported by a strong extension program called the SKVP (Shriram Krishi Vikas Program). This program, apart from being an Agronomy services platform providing latest technology and practices to the farmers and the Channel, also focuses on meeting its social responsibilities. Some of the activities include education programs for girl child, providing scholarships along with vocational training for women. We believe, that new technologies/practices need to be disseminated to the farmers which will help them in

increasing yields/ profitability by meeting challenges of drought, pests etc. The company lays strong emphasis on strengthening its customer interface which will help in capturing the evolving trends in Agriculture and leverage technology to enhance performance of the Business, the Channel and the Farmer. The business is also supported by a strong distribution network which is present in 17 states, reaching ~ 0.4 Million farmers and ~ 30,000 retailers. The Company sells these Agri-Inputs under brand "Shriram" which is known for quality and has a strong brand image within the farming community.

### Business Performance

The Revenue, PBIT and Capital employed for this business for FY14 are as follows:

Particulars	FY 14 (Rs/Crores)	FY 13 (Rs/Crores)
Sales	1,779.4	1,302.3
PBIT	81.0	50.8
Capital employed	186.4	390.2



- Revenues in this business were higher by 37% at Rs. 1,779 crores driven by growth in Value added inputs which was up by 38% and Bulk fertilizers which was up by 36%.
- PBIT for FY 14 was up by 59% at Rs. 81 crores due to improved performance of the value added segment, which witnessed a PBIT growth of 46%.
- Earning from DAP/MOP business was under stress due to adverse demand and supply situation leading to decline in prices and delay in subsidy payment leading to higher working capital.

### Industry Overview and Outlook

The Year 2013-14 saw a good monsoon with comprehensive coverage. In some areas, excess and extended rainfall resulted in crop damage in khariff and late rabi. Value added inputs saw growth in demand but the rising input cost resulted in pressure on margins.

In the Bulk Fertilizers (DAP/MOP), the industry started FY 14 with high inventory in the system. International prices dropped sharply due to lower purchase by major consuming countries. Abundant supply in domestic market resulted in higher discount and longer credit in the domestic market. However, due to good monsoon during the year, inventory in the country at the end of the season has reduced.

We expect that industry will continue to grow in FY 15 if monsoons are normal, although climate factors such as El Nino can impact performance. We do believe that this industry will witness healthy growth in medium-long term due to strong demand for food in the next few years given the macro factors such as population growth, rising per capita income etc. As per industry estimates, the demand for food will touch ~ 330 Mn MT by 2020 and supply is projected to be about 280 Mn MT, resulting in shortage of ~ 50 Mn MT. With land area under agriculture stagnant at 140 Mn h.a, the country would need to improve the levels of productivity which would include adoption of superior products (Agri-Inputs) along with other initiatives.

### Our Strategy

The business is taking several steps including strengthening of its product portfolio based on customer feedback, entering into new geographies, strengthening the extension and market development program along with strengthening the supply chain and leveraging technology.

We believe, that these steps will enable the business to achieve healthy growth in the medium term especially in the Value added Segment. The bulk fertilizers business especially DAP/MOP is facing uncertain market conditions. Going forward, the DAP/MOP sales may be limited based on the demand and supply situation.

### Bioseed

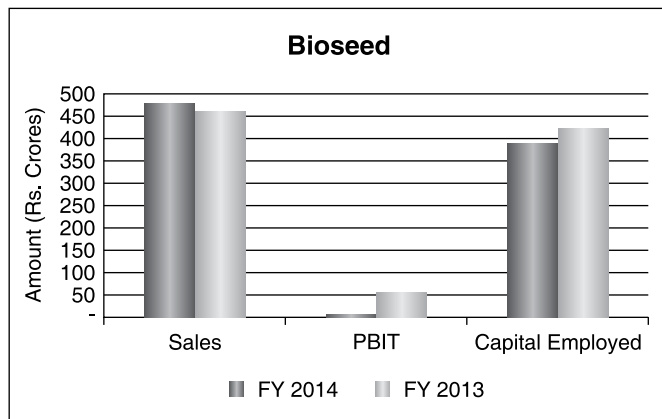
The Bioseed business is part of our Agri-Inputs portfolio that provides high quality hybrid seeds to help farmers to improve their profitability and productivity. Bioseed

is a complete seed business with presence across Research, Production, Processing and Marketing. The product portfolio consists of both Field and Vegetable crops. In the field crops, the business is present in Bt Cotton, Corn, Paddy, Bajra and Jowar. In the Vegetable crops, it is present in Tomato, Chillies, Okra, Brinjal, Gourds among others. In terms of Geographical presence, apart from being present in India (in both Field and Vegetable Crops), the company is also present in Corn in Philippines and Vietnam and is also test marketing in Rice in both these markets. The Company has also begun operations in Indonesia for corn. The company has created robust physical infrastructure like research facilities, processing and cold storage facilities etc to support this business.

We believe, that we have a strong business model led by advanced research facilities. We continue to invest about 8% of revenues into research for developing new products. This has led to a healthy product pipeline. The product development is not only focused on providing high yielding hybrids, but also meeting other challenges, such as disease tolerance, salinity and drought tolerance. The Company has got into various research alliances to further strengthen its capabilities. We are also focused on Agri-extension activities, working very closely with the farming community and enable developing a strong brand.

### Business performance

Particulars	FY 14 (Rs/Crores)	FY 13 (Rs/Crores)
Sales	457.7	440.6
PBIT	4.2	51.6
Capital employed	370	402.3



Bioseed Revenues growth in FY 14 was limited to 3.9% due to the one time sales returns along with

lower sales in the overseas business during the year. Domestic Business which forms majority of top line continued to witness healthy growth at 38%. The growth was primarily driven by BT cotton and Corn.

The business' earnings were adversely affected by its international business due to the one time exercise carried out to clear the trade channel resulting in sales returns and then the inventory write-off carried out to clear the old inventory. This one time activity was done to ensure that the business progresses in healthy manner and we are able to deliver value going forward. Domestic operations on the other hand witnessed earnings growth on the back of increase in sales volumes of our BT Cotton and Corn offerings, although the margins were under pressure. The earnings grew 25% over last year. Our new products in BT cotton launched in south and central India are showing good response and are expected to witness growth going forward.

### Our Strategy

We are focused on continuous investment in the business and expect it to be a growth driver for the company over the medium term. We are enhancing our research capabilities to ensure long term sustainable growth in the business. This would enable us to develop a healthy pipeline of superior products which meet the evolving needs of the farming community such as tolerance to climate variations, disease and pests. The company is continuously taking all necessary steps to strengthen conventional breeding as well as biotechnology related initiatives. The business has taken several steps to strengthen its Biotech program so as to leverage that opportunity as and when it arises in India. The Company has an applied biotechnology research program which is focused on supporting breeding programs through the use of latest molecular and bio-informatics tools as well as on developing GM and Non GM traits to meet various farming challenges.

The business to grow needs to develop its production, processing and marketing capabilities. The Company has scaled up these activities to meet the growth of the business.

### Sugar

DCM Shriram is one of the largest players in the domestic sugar industry. The company operates four sugar units located at Ajbapur (10,500 TCD), Rupapur (6,500 TCD), Hariawan (8,000 TCD) and Loni (8,000 TCD) with a total crushing capacity of 33,000 TCD.

These four units have a total power cogeneration capacity of 94.5 MW of which 51.5 MW of power can be exported.

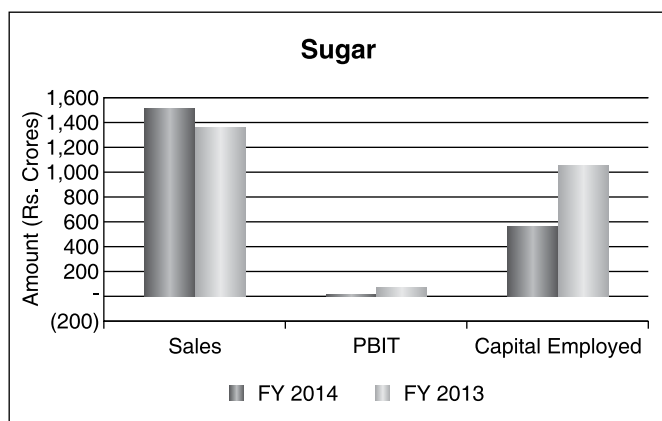
### Business Performance

The Revenue, PBIT and Capital Employed for this business for FY 14 along with the quantitative data is as follows:

Particulars	FY 14 (Rs/Crores)	FY 13 (Rs/Crores)
Sales	1,500.2	1,345.5
PBIT	(5.4)	64.5
Capital employed	550.3	1,025.1

Year	Sales (Lac Quintals)*	Realizations (Rs./Qtl)
FY 14	42.8	3,006
FY 13	33.4	3,243
% Shift	28.1	(7.3)

\* Free Sugar



Particulars	Unit of Measurement	2013-14	2012-13
<b>Sugar Season</b>			
Cane Crushed	Lac Quintals	321	412
Recovery Rate	%	9.9	9.3
Sugar Produced	Lac Quintals	31.8	38.5
<b>Financial Year</b>			
Cane Crushed	Lac Quintals	354	375
Recovery Rate	%	9.8	9.4
Sugar Produced	Lac Quintals	34.9	34.8

- Revenues at Rs. 1500 crores were up 11.5% driven by increased sugar volumes up by 17.2% and Sugar prices at Rs 3,006 per Qtl, down by 7.3% from last year. PBIT stood at Rs. (5.4) crores. Loss during the year was a reflection of higher cost of production and low realization leading to negative

margins. The Sugar prices were under stress for the entire year except in March when they firmed up, however even at those levels the prices were unremunerative.

- Cane crush during SS 2013-14 stood at 321 lac Qtls, down from 412 lac Qtls in the previous season. This was on account of lower sugarcane yield in the region due to excessive rains.
- During the sugar season 2013-14 recovery in our Sugar business improved by 59 basis points to 9.92%. This increase in recovery was on account of improvement in the quality of cane, higher operational efficiencies and better climate during the year. We have intensified efforts and are taking all the steps to further improve cane quantity and quality in sugar season 2014-15.

### Industry Overview and Outlook

The Indian Sugar Industry is one of the largest with India being the second largest producer after Brazil and the largest consumer of sugar in the world. In domestic context, sugar is the second largest agro-based industry supporting over 50 million farmers along with indirect employment to rural population. It is estimated that about 7.5% of the rural population in India is involved with the sugar industry.

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

Sugar is a controlled commodity that comes under the Essential Commodities Act, 1955. The controls start at the price at which mill purchases cane from the farmers. The Government of India has a dual pricing policy in place. The Central Government announces FRP (Fair & Remunerative Price) which is binding across the country. The State Governments are also empowered to fix the cane price over and above FRP which is called the SAP (State Advised Price). The other controls include, trade (export/ import) restrictions, minimum distance criteria, cane area



reservation and quantitative restrictions on movement of by-products like molasses & ethanol.

Around the start of FY 14, the Government of India acted on the recommendations of Dr. C. Rangarajan committee and took two important steps towards decontrol of this industry viz. abolishment of levy obligation & monthly release mechanism. These steps helped the industry to some extent by reducing the subsidy burden on levy stock and also in better cash flow planning. Next step towards linkage of cane price to sale price of sugar & by products was to be taken up by the State Governments. Action on this front was initiated in Karnataka & Maharashtra but the final outcome has been getting delayed. Uttar Pradesh is yet to take steps in this direction. Without progress on this front mills will continue to face pressures leading to low or negative returns from the business.

During the current season the Government of Uttar Pradesh maintained the State Advised Price (SAP) at Rs. 280 per quintal of cane along with incentives of Rs 11 per quintal of cane already notified in terms of rebate in society commission, purchase tax & entry tax and Rs 9 per qtl of cane to be notified at the end of season post review of sugar prices. This has provided some relief to ailing sugar industry wherein cost of production is exceeding the market price of sugar. Also the Government of Uttar Pradesh allowed the industry to make payment to farmers in two tranches of Rs 260 per quintal of cane immediately and Rs 20 per quintal of cane at the end of sugar crushing season.

The Government of India has taken the following measures to provide some respite to the ailing sugar industry during the year:

- Provided interest free loan equivalent to three years excise duty paid by the industry for a period of five year with a moratorium of two years. This has helped the industry to clear cane arrears.
- Announced a subsidy of Rs 3,333 per ton of raw sugar export from India to the extent of 4 million ton. Industry is expecting an export of 2 million MT to be executed in this sugar season.

Sugar production in India is estimated at around 23.9 million ton in sugar season 2013-14 down from 24.7 million ton in previous season. With consumption expected around 23.5 million ton & exports of 2 million ton we expect our closing stocks to reduce by 1.7 million ton compared to last sugar season and

are expected to be around 7.7 million ton. Though forecast for sugar season 2014-15 are not available since planting is still in progress, we do not expect a surplus considering fall in cane area in Uttar Pradesh & EL Nino forecasts.

On the International side sugar prices remained under pressure throughout sugar season 2013-14 due to oversupply and traded range-bound on ICE (New York) and LIFFE (London) exchanges at USD 500 per ton levels. Sugar season 2013-14 is expected to end with a surplus of 4.2 million ton and trade is forecasting a sugar surplus of 2.1 million ton in sugar season 2014-15 as well. However effect of El Nino needs to be seen which may change the entire scenario. In Indian context the last financial year witnessed huge volatility in currencies, this impacted domestic sugar prices. Currency fluctuations have a direct impact on the parity of imports in India & exports out of India. Presently given the currency levels and international prices both imports and exports have become unviable.

### Our Strategy

The business continues to focus on improving its cost efficiencies. It intends to build on the gains in Sugar recovery and improve the cane yields. To achieve this the business is working towards better cane management, improving plant efficiency and empowering its organization through strengthening processes and IT based controls.

### Hariyali Kisaan Bazaar

The Company in FY 13 had rationalized its Hariyali business (the rural retail venture) by closing down the retail operations except for fuel sales. This has enabled the company to substantially reduce the losses from operations. The Company is now focused on sale of surplus properties located in rural areas.

### Business performance

The Revenue, PBIT and Capital employed for this business for FY 14 is as follows:

Particulars	FY 14 (Rs/Crores)	FY 13 (Rs/Crores)
Sales	429.1	515.6
PBIT	8.3	(34.8)
Capital Employed	200.2	228.7

1. Revenues for the year declined from Rs. 516 crores to Rs. 429 crores. Currently revenue is from the fuel sales only

- The business witnessed a PBIT gain of Rs 8.3 crores in FY 14 due to profits generated from the sale of surplus properties

### Our Strategy

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

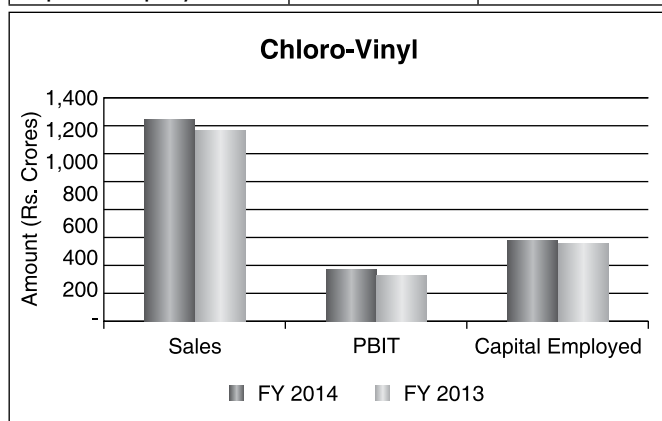
### Chloro – Vinyl Businesses

DCM Shriram'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 enable 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 14 is as follows:

Particulars	FY 14 (Rs/Crores)	FY 13 (Rs/Crores)
Sales	1220.6	1162.0
PBIT	374.3	344.1
Capital employed	565.9	553.6



- The Chloro Vinyl business continues to deliver healthy performance driven by higher margins and capacity utilizations.
- Revenues from Chloro-Vinyl business were higher by 5.0% at Rs.1221 crores during FY 14 driven primarily by the PVC Resins segment
- PBIT increased by 9% to Rs 374 crores on account of higher realizations in the PVC resin and carbide

business and strong focus on containment of costs through the various cost reduction initiatives undertaken in the last 2-3 years.

- Input costs are on an increasing curve
  - Efforts are being channelized on continuously improving cost structures to mitigate the impact of rising input costs

### Chlor-Alkali

Chlor-Alkali industry has Caustic Soda and Chlorine as the two Co-Products that are produced in the ratio of 1:0.886. Caustic soda is used in Alumina, Pulp and Paper, Textiles, Water Treatment, Pesticides, Pharmaceutical industries etc whereas Chlorine is used in Polymers including PVC resins, Dyes and inks, Crop care chemicals, HCL etc. The growth of this business is highly correlated to the growth in the economy. The prices of these products, especially of Caustic Soda, are influenced by import price parity along with domestic demand supply scenario.

The company operates manufacturing facilities at Kota (Rajasthan) and Bharuch (Gujarat) adding up to a capacity of ~ 835 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. While the Kota unit is based on domestic Coal, the Bharuch plant imports its Coal requirements.

### Business Performance

The Revenue, PBIT and Capital employed for this business for FY 14 along with the quantitative data is as follows:

Particulars	FY 14 (Rs/Crores)	FY 13 (Rs/Crores)
Sales	707.1	711.9
PBIT	233.5	247.5
Capital employed	386.9	386.3

Year	Sales (MT)	Realizations (Rs./MT)
FY 14	257,702	25,565
FY 13	244,902	26,543
% Change	5.2	(3.7)

Operations at both, Kota and Bharuch facilities continued to deliver optimally driven by higher production with improving cost efficiencies. The Revenues were marginally lower by 0.7% at Rs.707 crores on account of softening of prices by 3.7%

during FY 14. PBIT was down by 5.7% at Rs. 234 crores primarily on account of lower realizations during the year. The business's efforts on cost rationalization have immensely helped in sustaining the performance in a scenario of rising input costs. In this direction a 9th Electrolyser was commissioned in Dec 2013 with a capacity of 28000 TPA at the Bharuch plant. The objective of this Electrolyser is to improve power efficiency of the entire complex and give flexibility to increase production.

### Industry Overview and Outlook

The Chlor-Alkali industry in India has 34 operating units with a combined installed capacity of 3.4 million tons of Caustic Soda. The top three players comprise about 45% of the total installed capacity. The domestic demand for Caustic Soda and Chlorine is about 3 million tons and 2.4 million tons respectively. The growth in demand for Caustic soda and Chlorine is linked to GDP growth with Chlorine growing slowly vis-a-vis Caustic Soda.

In 2014-15, demand growth will depend on investment climate, which is likely to improve. However, the expected less than normal monsoon activity will be a cause for concern.

### Our Strategy

The Company continues to lay strong emphasis on further improving cost structures and efficiencies at both its manufacturing units. This would include efforts to mitigate the impact of rising energy costs. The company is also focused on efforts including reduction of Power consumption and other key raw materials. On the Volumes front, the company will continue to optimise product volumes at both these units.

### Plastics

The business is involved in the manufacturing of two products PVC Resins and Calcium Carbide. The company is one of the oldest manufacturers of PVC Resins in the country with over five decades of experience in the business. The Plastic business is an integral part of the Chloro-Vinyl manufacturing facility at Kota with integration in terms of own Captive Power, Chlorine and Calcium Carbide. The Calcium Carbide manufactured by the company is partly sold and partly used for the manufacture of PVC Resins. DCM Shriram is the only company in the country which manufactures PVC Resin through the Calcium Carbide route as against the Ethylene route which is being

followed by most of the companies worldwide except in China. The Carbide route provides us complete integration from base raw material to finished resin in the Vinyl value chain and also insulates us from the cycles associated with the petrochemical route.

### Business Performance

The Revenue, PBIT and Capital employed for this business for FY 14 along with the quantitative data is as follows:

Particulars	FY 14 (Rs/Crores)	FY 13 (Rs/Crores)
Sales	513.5	450.1
PBIT	140.8	96.7
Capital employed	179.0	167.3

Year	PVC Resins		Carbide	
	Sales (MT)	Realizations (Rs./MT)	Sales (MT)	Realizations (Rs./MT)
FY 14	53,301	69,853	29,850	41,957
FY 13	48,035	61,324	34,811	40,792
% Change	11.0	13.9	(14.3)	2.9

The Revenue for this business was higher by 14% at Rs. 514 crores driven by higher Volumes and higher Realizations of PVC resins. PBIT from this business was higher by 46% at Rs. 141 crores driven by increase in realization along with several cost initiatives that the company undertook to improve the cost economies of this business w.r.t Power and Carbon materials, given that their costs have been rising. The margins in the business have improved to 27% from 21% last year. The prices of these products, especially of PVC resin, are influenced by import price parity.

### Industry Overview & Outlook

PVC Resin is a widely used raw material owing to its safe, healthy, convenient and aesthetical advantage for applications in urban infrastructure, Electronic products, Consumer products, Irrigation etc. It is a thermoplastic with 57% chlorine and 43% carbon, making it excellent fire resistant material. More than 70% of PVC resins are used for producing PVC pipes in India. Traditionally PVC Pipes were mainly used for agriculture. However, PVC pipes are fast replacing steel pipes for plumbing applications as well.

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. Other application with large potential is PVC films for packaging. With the trend for buying packaged goods

increasing even in rural India, the demand for VC films is also expected to rise.

The India PVC market is expected to grow at least equivalent to the GDP growth of our country. The FY 14 has been an exception as growth in consumption of PVC resin stood at about ~2%. 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 India PVC resin industry's capacity currently stands at around 1.3 million Metric Ton per annum (MTPA). As against this, domestic demand has been growing steadily and has reached 2.35 MTPA. The gap of ~1 MTPA is being met by the import of PVC resin in India. We do believe that PVC will witness healthy growth rates in the coming years given the shortage of quality infrastructure in the country.

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

### Our Strategy

The company will focus on maximizing product volumes given the higher net back per unit of Power from the sale of PVC Resin and Calcium Carbide. During the year gone by the company has taken several initiatives in cost reduction & costs restructuring with good success & we plan to continue our efforts in this direction.

### Cement

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

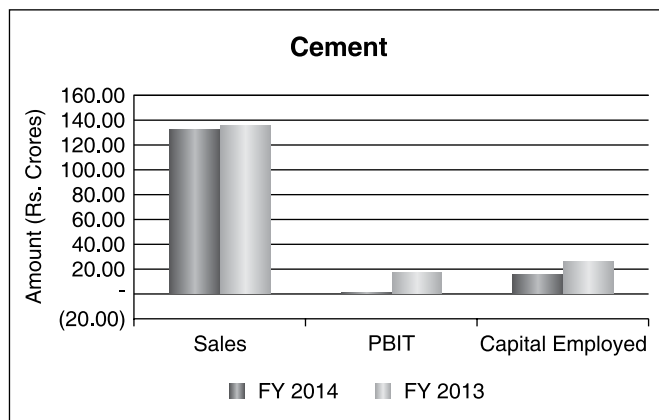
The Company produces high quality, premium grade Pozzolana Portland Cement and Ordinary Portland Cement. The Cement is characterized by light colour, superior strength and early setting properties. These characteristics have made "Shriram Cement" to be considered as a premium brand especially in markets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

### Business Performance

The Sales, PBIT and Capital employed for FY 14 along with quantitative data stands as follows

Particulars	FY 14 (Rs/Crores)	FY 13 (Rs/Crores)
Sales	130.6	135.2
PBIT	(0.33)	17.3
Capital Employed	14.4	25.2

Particulars	Sales (MT)	Realizations (Rs./MT)
FY 14	367,535	2,791
FY 13	362,153	3,114
% change	1.5	(10.4)



The Revenues from the Cement business was lower by 3.4% at Rs. 131 crores due to decline in realizations by over 10% during the year. The cement business witnessed a PBIT loss of Rs 0.3 crores in FY 14 as compared with a gain of Rs 17 Crores in FY 13. This was on account of rise in input costs for the industry amid sluggish demand leading to considerably lower market prices compared to 2012-13.

### Our strategy

The Company continues to focus its efforts on improving efficiencies and optimizing cost structure along product mix for generating higher returns.

### Other Businesses

#### Fenesta Building Systems

Fenesta Building Systems is India's largest UPVC windows solutions provider, specializing in the design, manufacture, installation and service of precision-engineered made-to-order UPVC window and door systems. Fenesta is an end to end service provider

right from extrusion of UPVC profiles to installation of windows. The company operates in two segments, i.e Retail and Project/Institutional. The Retail segment which was started about 5 years back is commanding over 60% of the total turnover.

The Company has been focused on Retail Business as the growth driver. During the last one year, Fenesta has changed its fundamental approach to the Retail Business, whereby alongside with the Channel Sales, Direct Sales has also been initiated. All Direct Sales employees have been given branded vehicles and the Company has also launching its own "Signature Studios" for further enhancing High-Street Presence. Marketing DNA has also changed with more focus on local level marketing. Fenesta has also started its own Call Centre to further boost the Retail Sales.

Fenesta has launched Slide & Fold Windows, Lift & Slide Windows and Composite Doors & Conservatories. These new products are expected to further give a cutting edge and First mover advantage and are expected to help in improving volumes.

Our focus on retail segment and reconfiguring operations has helped the business in achieving PBDIT break even.

### **Our Strategy**

Fenesta continues to focus on the Retail segment to drive growth. We have taken several steps to further strengthen our value Proposition. New product launches are expected to help in building up volumes. All the processes and systems are being strengthened to facilitate profitable growth. The business is taking several steps in building up the skills of the Fenesta Team and improve productivity and efficiency in all the business operations.

Projects segment has seen tighter control over execution resulting in better profitability from this segment. In future, we will continue to focus on improving execution management while also looking for Projects with good margins. Further, domestic economic improvements are expected to positively impact this business.

### **PVC Compounds**

The business is housed in a Company called Shriram Axiall Private Limited and is the largest commercial PVC Compounding business in India. PVC Compounding business is approximately 5 lac MT per year in India. However only 60-65% business lies with organized

players including self compounders. Compounded PVC finds its uses in wires, cables, automotive profiles, rigid transparent applications etc. The business is equipped with modern compounding technologies and testing equipments that enables it to provide a vast range of high quality PVC Compounds to customers in different industries. The business' manufacturing plant has state of the art product development facility known as iPAC (Innovative Plastic Application Center) which provides the company an edge in terms of faster development of new products and service to the customer. The industry is going through a tough patch given the domestic economic scenario leading to slow down of consuming sectors.

From April 2014 the Company is under a Joint venture with Axiall LLC (a subsidiary of US-based Axiall Corporation, with expertise in Chloro-vinyl), with Axiall investing Rs. 34.7 crores to acquire 50% stake in the business. The arrangement will enable SVP to launch latest generation Polymer Compounds in India, offering more cost effective polymer solutions for different applications in domestic market.

### **Business Performance**

In FY 14, the business continued to get affected by low demand for PVC compounds in India. and continued high costs. This led to adverse financial performance by the business during the year.

The Company has changed its strategy from volume based business to a contribution based business. The company has shifted its focus from low contributing grades to high contribution grades/master batches. The company adheres to the best manufacturing practices, cost reduction initiatives and internal control systems to lead the business on the path of sustainable growth in the medium to long term.

### **Textiles**

DCM Shriram operates a spinning unit at Tonk, Rajasthan with a capacity of 14,544 spindles. The Company is working on a plan to exit this business.

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

DCM Shriram's focus on effective management of its Human Resources continues with full commitment as before. The Company has all through the year stood by its belief of developing people, taking care of their needs and ensuring that all the processes and systems enable employees to give their best. The Company believes that a genuine, authentic and customised

approach to people management goes a long way in aligning employees with the business goals and objectives of the Organisation.

### **Human Resources Productivity & Optimisation**

The focus during the year, like in the past, has been to raise the level of productivity and efficiency of our employees. The in-take of talent across all levels has been of the highest quality and fit. The efforts have been to see that employees are fully involved in building improvements and greater effectiveness at the work place by thinking creatively and out of the box. They have been encouraged to work on projects and initiatives that lead to cost optimisation, improvement of the quality of products and services, strengthening systems and improving the overall profitability. A culture of all round, continuous improvement has been progressively built in the Organisation over a period of time and the employees have become more business and outcome focused than ever before. Needless to say, it helps in strengthening the competitive positioning of the business.

### **Capability Building**

To enable employees to give their best, be productive and effective in their jobs and roles, the Company has put in place programs and processes to build and re-build the skills & competencies and enhance their overall knowledge base and understanding. Like every year the Organisation conducted a structured training needs identification taking into account the employee expectations and the needs of the business and the role. On this basis a comprehensive training calendar was rolled out to build the technical, functional and behavioural skills and competencies across all the locations / units and businesses of the Organisation. The programs have been both in-house and external, sourcing the best of the knowledge available in the market, and conducted for employees across all the levels to strengthen functional and managerial effectiveness and bandwidth. There have been also been measures to track the effectiveness of the programs to ensure that on-the-job application of learning is maximized. Learning and Development has got fairly well institutionalized in the Organisation.

### **HR Initiatives and Interventions**

The year gone-by has been an eventful and engaging year from the perspective of new HR initiatives and interventions. There has been a fair amount of action in the area of implementation of the Balanced Scorecard,

rolling out a comprehensive Talent & Leadership Development program, following through on the employee engagement survey findings, aggressive positioning of the employer brand for freshers and laterals and quite a few such initiatives across the entire Organisation. The Company has successfully implemented Balanced Scorecard covering nearly 280 roles & positions, supported by Accenture Consulting. The BSC, we strongly believe, will go a long way in strengthening the Performance Management System along with a sharper focus on results, outcomes and deliverables. The Talent and leadership development journey has been embarked upon to develop the existing leaders and groom the high potential talent of the Organisation to take on higher roles & responsibilities, along with getting mapped onto various leadership succession tracks. The initiative has been partnered with Aon Hewitt. The Organisation has continued to measure the engagement of its employees through a structured survey by the Corporate Executive Board. It has been very insightful and useful in drawing out the HR agenda / action plan for the year. Several initiatives have been taken to strengthen the Employer Brand of DCM Shriram, including 'Case Study' Competition at Campus and 'Alumni Connect' for the former employees of the Company.

### **Employee / Industrial Relations**

The Company's relationship with its employees across all the units and locations has been a very harmonious and cordial one. The Organisation continues to pursue its philosophy and belief of taking care of its employees holistically, responding swiftly to their needs and issues, if any, supported by a proactive welfare and engagement calendar. Consequently, we have seen very positive overall intent and attitude of the employees towards the Organisation. Employees have been very supportive in driving the business agenda and putting in extra effort for realization of the Organisational goals. The overall climate continues to be characterised by mutual trust and faith, based on strong communication, transparency and fairness.

The Company continues to value its people resources and considers them as integral to progress of the Organisation. Their contribution in taking the Organisation forward during the last year has been outstanding. We will continue in our endeavour to ensure that we provide our people with all the support to realise their potential, so as to enable them add value to themselves and to the Organisation.

## Corporate Social Responsibility

DCM Shriram has had a deep commitment towards social responsibilities right since its inception and has been contributing significantly towards Community Development.

The Company's initiatives are making a positive impact in the society through its various CSR initiatives. This is being done by regularly investing in programmes of Education, Rural development, Vocational & Livelihood programs, Healthcare & promotion of Sports.

Some of the main areas of CSR initiatives at DCM Shriram are as follows:

### Livelihood/Vocational skills

- DCM Shriram works extensively with the farmers and the larger farming community to increase their productivity and profitability. This is done through the provision of extension services through Education and Capacity building by its Agri Business like Sugar, Fertiliser, Farm Solutions & Seeds.
- Working for over ten years to support the farmers, the Shriram Krishi Vikas Programme (SKVP) is an Integrated Rural Development program covering over 500 villages annually. Under SKVP, Education and Training is provided to the farmers towards holistic development. The focus is to increase farm productivity, profitability and quality of produce. Each SKVK (Shriram Krishi Vikas Kendra) organises a six-month training programme in the adopted villages with several Education tours of the farmers in the area to Agricultural Universities, Animal Husbandry camps and subject specialists for guidance. Crop seminars, Farmer's meetings & Field days are a regular feature of this programme. Vocational Training & income generation programme like Embroidery, Stitching, Food processing, compost making, Poultry farming are an integral part of the SKVK activities.
- 74 Apna Sewa Kendras have been set up to promote Farm mechanization among the farmers through continuous training.
- 'Meetha Sona' Project of the Sugar Business in association with IFC Washington is helping to increase the productivity of Sugarcane, promote water management through drip irrigation, improve Soil fertility & promote Field mechanisation.
- 'Khushali Rozgaar', a Livelihood programme launched in 2006 in association with NGO 'Gram Swaraj Mission' provides technical and managerial assistance, training and financial support to women groups. Several cottage industries managed & operated by women are engaged in grinding, packaging and marketing of spices. These products are approved by the Khadi and Village Industries Commission.

### Healthcare

- 'Khushali Sehat', initiated by the Sugar business in collaboration with Vinoba Seva Ashram, Sarvodaya Ashram and Gram Swaraj Mission Ashram, is a popular Health initiative. It reaches out to over 7000 families in about 40 villages with the mandate to promote disease-prevention measures, chiefly among women and children. Annual Eye cataract surgery camps organised in association with 'Sitapur Eye Hospital' have benefited more than 1400 villagers.
- Health advisory, Blood donation and vaccination camps conducted in association with Red Cross Society, Government Distt. Hospitals are a regular feature of Company's Health initiative.
- The company has also been organizing camps to create awareness on diseases like AIDS, focussing mainly on transporters and Truckers. This is with the belief that the best way to limit the spread of HIV-AIDS infection and its human and economic impact is through behaviour modification.

### Environment

- DCM Shriram understands the need for maintaining right Ecological balance and has undertaken extensive Tree plantation drives. Over 75,000 tree saplings have been planted at Bharuch, Gujarat, covering 33 percent of the green belt. A continued focus helped the company achieve a tree survival rate of 95 per cent. Similarly over 5, 00,000 tree saplings have been planted - in the rocky terrain at Kota, Rajasthan.
- Initiated by DSCL Sugar in association with the Forest Department and Gram Sabhas, the Khushali Paryavaran initiative is involved in

augmenting the green cover. Communities led by volunteers plant saplings in the neighbourhood of Sugar mills, villages & Schools. Saplings that come from Forest Department nurseries are growing into life saving trees for the next generation.

- DCM Shriram is countering the dearth of water in arid terrains near Kota, Rajasthan, through the digging of bore wells, installation of submersible pumps & construction of water storage tanks. In the Hardoi district of UP, the company has helped in financing more than 650 bore wells. Drip Irrigation technology is promoted by the company in the villages. The Company has also facilitated supply of drinking water and animal feed to some of the drought hit villages of Rajasthan.
- DCM Shriram's man-made water harvesting based reservoir is spread over 50 acres at Kota, Rajasthan and accommodates 4.5lac cubic metres of water. In Bharuch, Gujarat, located in water-starved Gujarat, the company's start of art water collection and harvesting system holds 20,000 cubic metres of water.
- Bio Control Labs are being set in the sugar units of the company in Uttar Pradesh. These labs are assisting farmers in controlling pest attacks and helping in improving the ecological balance.

### Education

For the well being of the community at large, DCM Shriram continues to support Education activities with a special focus on protecting the future of the girl child. It has also instituted scholarships in various Government Educational Institutions to encourage meritorious students.

- Khushali Siksha is an initiative by DSCL Sugar in association with Community Leaders, Teachers, Students, Government Agencies & NGO's. This is done by mobilising a teaching taskforce from amongst its employees & their families. The taskforce conducts classes on a variety of subjects including computers.
- A school in association with the renowned Ryan Foundation has been set up in Shahjehanpur, U.P. It is one of the premier Education Institutions in the area catering mainly to the rural population. More than 2000 children are studying in the school.
- In Kota (Rajasthan), the Company has instituted scholarship programs that encourage students to pursue advanced academic studies. The infrastructure of a number of schools has been strengthened through the introduction of basic facilities, including safe drinking water. It has built a school at Nimoda for students up to class 10th.
- In Bharuch (Gujarat) the Company has funded a degree college and has instituted a scholarship program for primary school students in the villages around its facility.
- At Jhalawar & Kota in Rajasthan, the Company is supporting the government's Mid-Day meal scheme. The scheme benefits more than 8500 children daily across 140 schools in and around Jhalawar and around 17000 children in 250 schools in Kota.
- At Kota in Rajasthan, the Company has partnered with 2 government ITI's. DCM Shriram is represented on the Institutes Management Committee and provides assistance in formulating the overall direction of the Institutes with focus on employability. Company is also involved with the working of the Centre of Excellence at the ITI's. The Company is also providing apprenticeship opportunities to the students of ITI's on a regular basis.

### Sports

National tennis Championship sponsored by the Company is the biggest National Tennis tournament in the country. More than 1500 players from all over the country participate in the tournament each year. This tournament is a platform for budding players to reach higher echelons.

DCM Shriram is actively involved in training & Promotion of Rugby in government Schools in Delhi including an all girls school.

### Rural Development

Extensive work is done in all the units of DCM Shriram in developing rural Infrastructure.

Regular repair of roads, school buildings, Panchayat Bhawan etc is undertaken by the company.

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## Directors' Report

The Directors have pleasure in presenting the 25th Annual Report of the Company along with Audited Accounts for the year ended 31st March, 2014.

### Financial Highlights

The results for the year ended 31.3.2014 and 31.3.2013 are as under:

(Rs. in crores)

Particulars	Standalone		Consolidated	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
Total Revenue	<b>6,133.01</b>	5,446.05	<b>6,231.97</b>	5572.87
Profit before depreciation, finance cost, tax and exceptional item	<b>587.34</b>	554.04	<b>558.91</b>	574.07
Depreciation	<b>134.13</b>	143.82	<b>137.89</b>	146.79
Finance Cost	<b>145.88</b>	152.65	<b>148.58</b>	154.83
Profit before exceptional items and tax	<b>307.33</b>	257.57	<b>272.44</b>	272.45
Exceptional Items	-	(53.58)	-	(53.58)
Profit/(Loss) before Tax	<b>307.33</b>	203.99	<b>272.44</b>	218.87
Provision for Taxation	<b>32.67</b>	13.45	<b>30.06</b>	15.98
Profit/(Loss) after tax	<b>274.66</b>	190.54	<b>242.38</b>	202.89
Balance brought forward from previous year	<b>539.35</b>	453.80	<b>592.79</b>	494.89
Net Profit available for appropriation	<b>875.94*</b>	644.34	<b>835.17</b>	697.78
<b>Appropriations</b>				
- Proposed Dividends on Equity Shares (Incl. Interim dividend)	<b>32.76</b>	26.54	<b>32.76</b>	26.54
- Corporate Dividend Tax	<b>5.57</b>	3.32	<b>5.57</b>	3.32
- Storage fund for Molasses Account	<b>0.13</b>	0.13	<b>0.13</b>	0.13
- General Reserve	<b>75.00</b>	75.00	<b>75.00</b>	75.00
- Balance Carried Forward	<b>762.48</b>	539.35	<b>721.71</b>	592.79

\* Includes Rs 61.93 Crores on account of merger of Bioseed Research India Ltd. during the year

### Performance

DCM Shriram Ltd. continued to deliver strong overall financial performance during FY 14. The Company's Net revenues during the year were up by 12% to Rs.6,182 Crores on account of high growth in Shriram Farm Solutions (up 37%) and Sugar businesses (up 12%).

The Company's (consolidated) earnings, EBITDA during the year stood at Rs.559 Crores as compared to Rs.574 Crores in the previous year. PAT stood at Rs.242 Crores vis-à-vis Rs.203 Crores in FY 13.

Earnings were led by, strong performance of Chloro-vinyl driven by cost rationalization and firm product prices, profits of Shriram Farm Solutions business led by growth of 'Value added input' portfolio, good growth in domestic Bioseed operations, sharp improvement in Fenesta business over last year on account of increased retail revenues, and Hariyali business losses have stopped post rationalization of its operations.

The earnings were impacted by adverse swing in margins in the Sugar business and lower profits in the Bioseed business on account of one time impact on earnings in its overseas operations. Cement business was also under pressure due to subdued prices and higher input costs.

The Company's (consolidated) finance costs were lower by 4% at Rs.149 Crores due to lower Debt. Gross Debt stood at Rs.1,178 Crores vs Rs.1,557 Crores last year. Net debt stood at Rs.683 Crores. Company's policy to conserve the healthy cash flow generation has enabled to reduce debt and strengthen the financial position.

The improved financial performance of the Company has led to upgrade in its Credit ratings by ICRA. Short Term debt rating has moved up from 'A1' to 'A1+' and Long Term from 'A' to 'A+'.

### Joint Venture

Shriram Axiall Private Limited (formerly Shriram Vinyl Polytech Pvt. Ltd.), 100% subsidiary of the Company had taken over the business of Shriram Polytech (division of the Company) w.e.f. 15th March, 2013.

The Company entered into the Joint Venture Agreement with M/s.Axiall, LLC (subsidiary of Axiall Corporation, USA) for forming a 50 : 50 Joint Venture for the Polymer Compounding business carried on by the aforesaid subsidiary of the Company (JV Company). This arrangement will enable the JV Company to launch latest generation Polymer Compounds in India, offering more cost effective polymer solutions for different applications in domestic market.

### Dividend

Your Directors are pleased to recommend final dividend @ 60% i.e. Rs.1.20 per Equity Share of Rs.2/- each for the year ended 31.3.2014. The total dividend



for the financial year 2013-2014 results to 100% i.e. Rs.2/- per equity share of Rs.2/- each (including interim dividend @ 40% paid in February, 2014).

### Subsidiary Companies

Pursuant to General Circular No.2/2011 dated 8.2.2011 issued by Ministry of Corporate Affairs, the Annual Accounts of the Subsidiaries are not attached with Accounts of the Company. As per 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. The Audited Annual Accounts of the Subsidiary Companies and the related detailed information is available on the website of the Company. The said financial information of the subsidiaries in hard copy shall be made available to any Shareholder on request and will also be kept open for inspection at the Registered Office of the Company on all working days.

### Unclaimed Shares Suspense Account

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

Balance As on 01/04/2013		No. of Shareholders who approached the Company for Transfer of Shares and Shares transferred from Suspense Account during the Year		Closing Balance as on 31/03/2014	
No. of Holders	No. of Shares	No. of Holders	No. of Shares	No. of Holders	No. of Shares
4563	678210	11	5150	4552	673060

The voting rights on the shares in the suspense accounts as on March, 31, 2014 shall remain frozen till the rightful owners of such shares claim the shares.

### Corporate Governance

The Company 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

Dr. N.J. Singh, Director retires by rotation, and being

eligible, offers himself for re-appointment.

Shri Sharad Shrivastva, LIC Nominee, was appointed as a Director of the Company to fill the casual vacancy caused by the resignation of Shri Rajesh Kandwal, LIC Nominee, to hold office upto the forthcoming Annual General Meeting of the Company.

The Directors place on record their sincere appreciation for the contribution made by Shri Rajesh Kandwal, LIC Nominee, during his tenure as a Director of the Company.

Shri K.K. Kaul was appointed as an Additional Director to hold office upto the forthcoming Annual General Meeting of the Company.

Section 149 of the Companies Act, 2013 provides for the appointment of Independent Directors, subject to the approval of Shareholders in the General Meeting. The Nomination and Remuneration Committee and the Board of Directors recommend the appointment of all the Independent Directors as set out in the Notice of the forthcoming Annual General Meeting for the approval of Shareholders.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### 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., Cost Accountants, New Delhi as Cost Auditors for the financial year 2014-15, to audit the cost accounting records for its products namely, Fertilisers, Chemicals, Cement, PVC, UPVC Articles, Textiles and Seeds.

The Company has appointed M/s. J.P. Sarda & Associates, Cost Accountants, Kota as Cost Auditors for the financial year 2014-15 for its DSCL Sugar units including Power selling plants.

### Change in the name of the Company

The name of the Company was changed from DCM Shriram Consolidated Limited to DCM Shriram Limited w.e.f. 21st February, 2014.

### Buy-back of shares

During the year, the Company has bought back 28,35,471 equity shares of Rs. 2/- each, upto 31st March, 2014, out of which 26,96,909 equity shares of Rs.2/- each have been extinguished by 31st March 2014.

### DCM Shriram Employee Stock Purchase Scheme

During the year, the Company had aligned its Employee Stock Purchase Scheme (the "Scheme") in accordance with the Securities Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 read with Securities Exchange Board of India circular CIR/CFD/DIL/7/2013 dated May 13, 2013.

The aligned Scheme was approved by the shareholders of the Company, on 13th August, 2013, and made effective from September 1, 2013. The Scheme provides for grant of Equity Shares through Trust, procured from the secondary market to the eligible employees/Directors of the Company ("Eligible Participant"), as may be decided from time to time and granted by the Compensation Committee at an exercise price of Rs. 2/- each.

Disclosures in compliance with the Securities Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999, as amended, in respect of grants made through Trust under the aligned Scheme w.e.f., September 1, 2013 are detailed below. The aligned Scheme is a secondary market scheme and no fresh issue of shares is made. Accordingly, the applicable disclosures are as follows:

Sl. No.	Particulars	Details
a)	The details of the number of shares issued in ESPS.	Out of total shares procured from the secondary market, only 15,000 equity shares were granted through the Trust during the said period.
b)	The price at which such shares are issued.	Shares were granted to employees at an exercise price Rs. 2/- per share.
c)	Employee - wise details of the shares issued to:	No fresh shares were issued to the employees. Shares were granted from those procured from secondary market, accordingly, no fresh shares were issued during the said period and following are not applicable:

i)	Senior Managerial Personnel	N.A.
ii)	Any other employee who is issued shares in any one year amounting to 5% or more of the total shares issued during that year.	N.A.
iii)	Identified employees who were issued shares during any one year equal to or exceeding 1% of the issued capital of the Company at the time of issuance.	N.A.
d)	Diluted Earning Per Share (EPS) pursuant to issuance of shares under ESPS.	As all shares granted are procured from secondary market, there is no dilution of EPS pursuant to Scheme.
e)	Consideration received against the grant of shares.	Rs. 2/- per share

### 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 Annual Report is being sent to all the Members excluding the aforesaid particulars. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary of the Company.

### Directors' Responsibility Statement

It is hereby affirmed that

- in preparation of annual accounts, all applicable accounting standards have been followed,
- 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,
- 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  
2nd July, 2014

(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 in the Fertiliser Plant.
- Installation of 200Kw top up turbine for P-35 to utilize energy wasted due to pressure reduction of 4K steam to 0.5 kg/cm<sup>2</sup> for de aerator in power plant.
- 4K HP Heater tube bundle replacement in P-35 to ensure 100% heat transfer.
- Use of hot water & flash steam instead of steam in the process in the distillation tower in the reboiler.
- Optimizing the carbon recipe by using sized/briquetted material, reducing fines.
- Modification done in briquetting system by which only one stream is being used at a time.
- Anode and Membrane replacement and conversion of Electrolyser "B" to Zero gap technology.
- Installation of DM water pump of Medium size Capacity (50 M<sup>3</sup>/HR) thereby minimizing the usage of Higher Capacity Pump (132 M<sup>3</sup>/HR).
- Procurement of washery wash salt resulting in reduction in the Barium Carbonate consumption.
- Stoppage of usage of additional pump for the process of condensate in CCU by increasing the line size from 1.5" to 2" & increasing pump pressure.
- Stopping furnace oil heating system.
- Improvement in operations of Drum Filter

by modification in filtered brine line, water flushing facility, filtration process taking sludge directly from clarifier & use of washery salt resulting in reduction of running hour of electrical drives e.g. vacuum pump, Drum drive & tray agitator.

- Modifications in Sulphur melting using waste heat of SO<sub>2</sub> gas.
- Installation of steam saving device to tap waste heat from Pan & Evaporator.
- Installation of 9th electrolyser to reduce operating CD on electrolyser.
- Providing VFDs in filtered and clarified brine pumps.
- Changing operating practices for process air compressor and 48% caustic soda dye pump.

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

- Installation of Advance Process Control System for Ammonia plant is in stabilization stage which will be completed by 1st Quarter of 2014-15. DCS for Urea plant has been commissioned.
- Scheme for sale of surplus ammonia is also under implementation. This project is expected to be completed by the end of 1st Quarter of 2014-15. The investment is Rs.1.0 Crore.
- Project of revamp of Benfield CO<sub>2</sub> removal system in ammonia plant is under implementation. Its basic engineering has been completed and detailed engineering is in progress. The scheme is expected to commission by the end of 2014-15. The investment is Rs.8.5 Crores.
- Scheme for modification of flue gas duct of primary reformer in ammonia plant has been planned and expected to be completed by the end of 2nd Quarter of 2014-15.
- Reduction in carbon consumption by ~ 3050 MT/Year of carbide.
- Reduction in auxiliary power consumption in Carbon briquetting.

- Conversion to Zero gap Technology for Electrolyser # A & D has been planned along with Anode and Membrane replacement. The investment is estimated to be Rs.15.50 Crores.
- Modification in waste heat recovery module condensate handling system.
- Synchronization of 2 nos. TG.
- Installation of air pre-heater.
- Replacement of anodes in electrolyser B&D.
- Providing VFD in Caustic Soda Pump.

**(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:

- Energy saving of 6720 Giga calories per annum.

- Reduction in steam/energy consumption.
- Power Saving/Conservation of 205 lac Kwh per annum.
- Pressure Drop Reduction.

**(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:**

Efforts have been made to get order from EOU.

**(b) Total foreign exchange used and earned:**

	Rs./Crores	
	2013-14	2012-13
- Total foreign exchange used	825.21	768.43
- Total foreign exchange earned	7.22	13.79

**FORM A**

(See Rule 2)

**Form for disclosure of particulars with respect to conservation of energy**

	<b>This Year 2013-14</b>	Previous Year 2012-13
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>1. Electricity</b>		
(a) Purchased		
— Kwh (in lacs)	<b>2176.8</b>	1095.2
— Total Cost (Rs./lacs)	<b>10418.3</b>	5899.3
— Rate (Rs./Kwh)	<b>4.79</b>	5.39
(b) Own Generation		
(i) Through Diesel Generator		
— Kwh (in lacs)	<b>19.06</b>	15.51
— Kwh generated per ltr. of Diesel/Furnance Oil	<b>3.88</b>	3.95
— Cost (Rs./Kwh)	<b>15.21</b>	12.06
(ii) Through Steam Turbine Generator		
— Kwh (in lacs)	<b>13410.0</b>	13926.3
— Kwh (in lacs) generated per Kg. of Coal	<b>1.3</b>	1.3
— Cost (Rs./Kwh)	<b>3.9</b>	3.9
(iii) Through Steam Turbine Generator (Bagasse)		
— Kwh (in lacs)	<b>2644.3</b>	3382.3
— Units generated per M.T. of Bagasse	<b>344.1</b>	365.7
— Bagasse Consumed (in MT/Lacs)	<b>7.7</b>	9.2
<b>2. Coal</b>		
Quantity (M.T.)	<b>1166204.0</b>	1223760.8
Total Cost (Rs./lacs)	<b>46129.4</b>	47007.5
Average Rate (M.T.)	<b>3955.52</b>	3841.23
<b>3. Furnace Oil</b>		
Quantity (M.T.)	<b>2731.7</b>	3489.6
Total Cost (Rs./lacs)	<b>1334.4</b>	1683.0
Average Cost (M.T.)	<b>48846.89</b>	48229.71

	<b>This Year 2013-14</b>	Previous Year 2012-13
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
<b>1. Electricity</b>		
— Urea (Kwh/M.T.)	<b>130.7</b>	121.2
— PVC Resin (Kwh/M.T.)	<b>1290.3</b>	549.9
— Carbide Packed (T/Ton)	<b>731.9</b>	222.3
— C. Soda, SFC, Kota (Kwh/M.T.)	<b>692.0</b>	207.1
— C. Soda, SAC, Bharuch (Kwh/M.T.) – Internal Generation	<b>2599.0</b>	2611.0
— Liquid Chlorine (Kwh/M.T.)	<b>105.0</b>	105.0
— HCL (Kwh/M.T.)	<b>0.5</b>	1.0
— Textiles – Yarn (Kwh/Kg.)	<b>2.6</b>	2.5
— Sugar – Ajbapur (Kwh)	<b>307.2</b>	340.3
— Sugar – Rupapur (Kwh)	<b>292.7</b>	282.2
— Sugar – Loni (Kwh)	<b>344.8</b>	359.1
— Sugar – Hariawan (Kwh)	<b>309.8</b>	344.4
— Profile - Fenesta Building Systems (Kwh/M.T.)	<b>800.0</b>	762.3
— SBG	<b>27.6</b>	23.3
<b>2. Coal</b>		
— Urea (M.T./M.T.)	<b>0.6</b>	0.6
— PVC Resin (M.T./M.T.)	<b>4.4</b>	4.8
— Carbide Packed (T/Ton)	<b>2.6</b>	2.9
— C. Soda (M.T./M.T.)	<b>3.9</b>	4.2
— Cement (M.T./M.T.)	<b>0.3</b>	0.3
— SBP (M.T./M.T.)	<b>0.2</b>	0.2
<b>3. Furnace Oil</b>		
— Urea (Kg./Ton)	<b>5.0</b>	7.9
— C. Soda, SFC, Kota (Kg./Ton)	<b>0.0</b>	0.1
— C. Soda, SAC, Bharuch (Kg./Ton)	<b>4.0</b>	3.0
— Cement (Kg./Ton)	<b>0.3</b>	0.2
<b>4. Others</b>		
— LDO/HSD – Urea (Ltr./Ton)	<b>0.0</b>	0.0
— Steam – C. Soda (M.T./M.T.) – SAC, Bharuch	<b>1.1</b>	1.1
— Steam – PVC Compound (M.T./M.T.)	<b>0.0</b>	0.1
— Bagasse (M.T.) – Ajbapur	<b>2.1</b>	2.2
— Bagasse (M.T.) – Rupapur	<b>2.2</b>	2.1
— Bagasse (M.T.) – Loni	<b>2.1</b>	2.2
— Bagasse (M.T.) – Hariawan	<b>2.1</b>	2.6

**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

- Automotive Profile, Quarter trim window, PVC-TPU Blend, Pipe fitting and Carburetor/Air pipe for Honda two wheeler.
- Filtration and ion Exchange trials for Syrup.
- Electrolytic clarification of Mixed Juice.
- Desalting of B Heavy molasses.
- Sugar cane breeding for new high sugar varieties.
- Bio Control Lab for Pest control.
- Agro based research in the field of hybrid seed development.

##### 2. Benefits derived as a result of the above R & D

- New product development.
- Reduction in Sulphur Consumption.
- Improvement in sugar quality.
- Royalty from seed production companies.

##### 3. Future plan of action

- Lead free FRLS compound development and load free cable grade for high I.R.
- Transparent rigid grades development.
- Several energy saving schemes have been identified for reduction in energy consumption. At present, technology from M/s. UOP for revamp of Benfield CO2 removal system is under implementation.
- Use of Enzymes for production of Sulphur Free sugar.
- Low temperature juice clarification without Sulphur.

##### 4. Expenditure on R & D

	Rs./Lacs	
	2013-14	2012-13
a) Capital	215.91	0.34
b) Revenue	4068.00	95.00
c) Total	4283.91	95.34
d) Total R & D expenditure as percentage of total turnover	0.68	0.02

#### Technology absorption, adaptation and innovation

##### 1. Efforts, in brief, made towards technology absorption, adaptation and innovation

- To get matt surface in soft grades & high gloss in rigid grades like-electric enclosure, pipe fitting.
- Use of waste heat of Sulphur Burner for Sulphur melting.
- Use of waste heat during Evaporation and Pan boiling for juice concentration.

##### 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.

- Import substitution, Cost Reduction and New product development.
- Conservation of Steam.

##### 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)	Whether technology has been fully absorbed	Yes
d)	If technology not fully absorbed, reason for same & future plan of action	N.A.
Chemicals		
a)	Technology Imported	Anode and Membrane replacement along with Zero gap conversion of Electrolyser # A & D.
b)	Year of import	2013-14
c)	Whether technology has been fully absorbed	Yes, For one Electrolyser
d)	If technology not fully absorbed, reason for same & future plan of action	Two electrolyser will get converted in 2014-15.



## Corporate Governance Report 2013-14

### (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 31.3.2014, the Board of Directors comprises of an Executive Chairman, three Executive Directors and seven Non-Executive Directors.

During the year, seven Board Meetings were held on 2.5.2013, 30.7.2013, 28.10.2013, 3.1.2014, 3.2.2014, 7.2.2014 and 22.2.2014.

The composition of Board of Directors, their attendance at Board Meetings during the year 2013-14 and at the last Annual General Meeting held on 13.8.2013 and also the number of other Directorship and Committee Membership/ Chairmanship as on 31.3.2014 are as follows:

Name of Director	Category of Directorship	No. of Board meetings attended	Attended last AGM	No. of other Directorship#	No. of other Committee Membership##	
					Member	Chairman
Shri Ajay S. Shriram (Promoter)	ED	7	YES	11	1	-
Shri Vikram S. Shriram (Promoter)	ED	7	YES	11	-	2
Shri Ajit S. Shriram (Promoter)	ED	6	YES	11	1	-
Dr. N.J. Singh	ED	7	YES	-	-	-
Dr. S.S. Bajjal	I-NED	7	YES	5	-	2
Shri Arun Bharat Ram	I-NED	3	NO	6	3	-
Shri Pradeep Dinodia	I-NED	7	YES	8	3	3
Shri Vimal Bhandari	I-NED	3	NO	7	2	3
Shri Sunil Kant Munjal	I-NED	3	YES	12	6	-
Shri D. Sengupta	I-NED	7	YES	2	1	-
Shri Rajesh Kandwal (LIC Nominee)	I-NED	6	YES	-	-	-

# 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 4:7.

#### 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.dcmshriram.com](http://www.dcmshriram.com)).

All Board Members and Senior Management Team have affirmed compliance of Code of Conduct as on 31<sup>st</sup> March, 2014 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 31.3.2014, the Committee comprises of four Independent-Non-Executive Directors. The Committee met five times during the year on 2.5.2013, 27.5.2013, 30.7.2013, 28.10.2013 and 3.2.2014 and attendance of the Members at the meetings was as follows:

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

Name of Member	Status	No. of meetings attended
Dr. S.S. Bajjal	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.
- Payment of commission of a sum not exceeding 1% of the net profits of the Company, calculated in accordance with the provisions of Sections 198, 349 & 350 of the Companies Act, 1956 had been approved by the shareholders in their meeting held on 17.8.2010 for a period of five years commencing from 1<sup>st</sup> April, 2010.

**(iv) Details of remuneration for the year 2013-14**

**(a) Executive Directors**

(Amount/Rs. Lacs)

Executive Directors	Salary	P. F.	Super-annuation	Allowances/Perquisites/Others	Commission	Total
Shri Ajay S. Shriram*	105.60	12.67	15.84	93.76	150.00	377.87
Shri Vikram S. Shriram*	102.00	12.24	15.30	89.06	145.00	363.60
Shri Rajiv Sinha****	54.60	6.55	8.19	213.34	-	282.68
Shri Ajit S. Shriram**	75.60	9.07	11.34	79.23	130.00	305.24
Dr. N.J. Singh***	24.78	2.97	3.72	18.85	8.00	58.32

\*Re-appointed w.e.f. 1.11.2013 for a period of 5 years. \*\* Re-appointed w.e.f. 2.5.2011 for a period of 5 years.

\*\*\*Re-appointed w.e.f. 20.11.2012 for a period of 5 years. \*\*\*\*Retired on 31.10.2013

- 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.

**(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 31.3.2014 in the Company are as under:

Name of the Director	Amount/Rs. Lacs			No. of Shares held
	Sitting Fee	Commission	Total	
Dr. S.S. Baijal	3.30	38.10	41.40	50,000
Shri Arun Bharat Ram	0.90	10.30	11.20	-
Shri Pradeep Dinodia	2.70	24.70	27.40	29,270
Shri Vimal Bhandari	0.45	7.90	8.35	2,000
Shri Sunil Kant Munjal	0.45	7.90	8.35	-
Shri D. Sengupta	2.85	26.30	29.15	20,000
Shri Rajesh Kandwal (LIC Nominee)	0.90	10.30	11.20	-

**(E) Shareholders/Investors' Grievance Committee**

**(i) Terms of reference**

- a) to scrutinize and approve registration of transfer and transmission of shares/

debentures/warrants issued/to be issued by the Company,

- b) to exercise all powers conferred on the Board of Directors under Article 43 of the Articles of Association,
- c) to decide all questions and matters that may arise in regard to transmission of shares/debentures/warrants issued/to be issued by the Company,
- d) to approve and issue duplicate shares/debentures/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 eight times on 8.4.2013, 14.5.2013, 22.7.2013, 3.8.2013, 18.9.2013, 9.12.2013, 31.12.2013 and 24.3.2014 and the attendance of the Members was as follows:

Name of the Member	Status	No. of meetings attended
Shri Pradeep Dinodia	Chairman	8
Dr. S.S. Baijal	Member	7
Shri Ajay S. Shriram	Member	8
Shri Vikram S. Shriram	Member	8

During the year, 106 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 31.3.2014.

#### (F) General Body Meetings

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2012-13	13.8.2013	10.00 A.M.	Air Force Auditorium, Subroto Park, New Delhi
2011-12	14.8.2012	10.00 A.M.	Air Force Auditorium, Subroto Park, New Delhi
2010-11	30.8.2011	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 2013

- Approval of re-appointment of Shri Ajay S. Shriram as Chairman and Senior Managing Director under Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 for a period of five years w.e.f. 1.11.2013.
- Approval of re-appointment of Shri Vikram S. Shriram as Vice Chairman and Managing Director under Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 for a period of five years w.e.f. 1.11.2013.
- Approval of DSCL Employee Stock Purchase Scheme as aligned effective from September 1, 2013, with SEBI (ESOS & ESPS) Guidelines, 1999 (including any statutory amendment modification or re-enactment to the Act or the Guidelines for the time being in force) read with circular dated January 17, 2013 and circular dated May 13, 2013

issued by SEBI and to extend the benefits of DSCL Employee Stock Purchase Scheme to its Holding or Subsidiary Companies, resident in India or outside India, such other persons (as may from time to time be allowed under prevailing laws, rules and regulations and/or amendments thereto from time to time on such terms and conditions as may be decided by the Board) and eligible participant, such that during any one year, the eligible participant may acquire shares equal to or exceeding 1% of the issued capital of the Company at the time of grant of shares.

#### AGM 2012

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

#### AGM 2011

- Approval for re-appointment of Shri Ajit S. Shriram as Deputy Managing Director under Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 for a period of five years w.e.f. 2.5.2011.

#### SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT

- During the current financial year, a Special Resolution has been passed through Postal Ballot (by physical postal ballot form and

e-voting) pursuant to provisions of Section 21 and other applicable provisions, if any, of the Companies Act, 1956 to change the name of the Company to “DCM Shriram Limited” and consequent alteration in the Memorandum and in the Articles of Association of the Company.

The details of voting (including electronic voting) are as under:

Particulars	Number of postal ballot
Number of valid postal ballot forms received	1,175
Number of valid votes casted	118,156,022
Votes in favour of the Resolution	118,143,784
Percentage votes in favour of Resolution	99.99%
Votes against the Resolution	12,238
Percentage votes against the Resolution	0.01%

The Company had appointed Shri Pankaj Bansal, a Practising Company Secretary as Scrutinizer for conducting the postal ballot process.

- As on date there is no proposal to pass any Special Resolution through Postal Ballot.

#### **(G) Disclosures**

- (i) There were no transactions of material nature with related parties during the year that had potential conflict with the interest of the Company at large.
- (ii) There were no instances of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital markets during the last three years.
- (iii) The Company is 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.dcmshriram.com](http://www.dcmshriram.com) and also posted at website of NSE and BSE. The Company's website also displays official news releases. The Company has interacted with analysts and investors during the year under review through meetings and conference calls.

#### **(I) General Shareholders Information**

- (i) Next Annual General Meeting is proposed to be held on Tuesday, 12<sup>th</sup> August, 2014 at 10.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi.
- (ii) **Financial Year:** April to March.
- (iii) **Date of book closure:** 18.7.2014 to 25.7.2014 (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: DCMSHRIRAM) 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 2013-14**  
**Equity Share Price on NSE and NIFTY Index**

Month	Share Price on NSE		NIFTY Index	
	High	Low	High	Low
<b>2013</b>				
April	61.90	52.50	5962.30	5477.20
May	65.80	57.00	6229.45	5910.95
June	66.65	56.50	6011.00	5566.25
July	60.30	51.55	6093.35	5675.75
August	61.90	50.30	5808.50	5118.85
September	60.90	52.00	6142.50	5318.90
October	69.30	53.25	6309.05	5700.95
November	56.20	50.00	6342.95	5972.45
December	61.00	50.90	6415.25	6129.95
<b>2014</b>				
January	59.80	53.50	6358.30	6027.25
February	75.00	54.55	6282.70	5933.30
March	94.50	67.60	6730.05	6212.25

**(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 15 days.

**(ix) Distribution of Shareholding as on 31.3.2014**

No. of Shares	Shareholders	
	Number	% to total no. of Shareholders
Upto - 500	42012	88.32
501 - 1000	2694	5.66
1001 - 2000	1369	2.88
2001 - 3000	480	1.01
3001 - 4000	258	0.54
4001 - 5000	181	0.38
5001 - 10000	294	0.62
10001 - 50000	211	0.44
50001 - 100000	22	0.05
100001 and above	45	0.10
<b>TOTAL</b>	<b>47566</b>	<b>100.0</b>

**(x) Categories of Shareholders as on 31.3.2014**

Category	No. of fully paid up shares held	% Shareholding
Promoters, Relatives and Associates	103743794	63.57
Financial Institutions, Banks and Insurance Companies	17597185	10.78
Foreign Institutional Investors, Overseas Corporate Bodies and Non-Resident Indians	17116028	10.49
Mutual Funds	263088	0.16
Bodies Corporate	4761631	2.92
General Public	19724685	12.08
<b>TOTAL</b>	<b>163206411</b>	<b>100.00</b>

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

As on 31.3.2014, of the total eligible Equity Shares, 87.99% were in dematerialized form and the balance 12.01% shares in physical form.

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

**(xii) Plant Locations**

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

**(xiii) Address for Correspondence**

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

Correspondence by the shareholders and debentureholders should be addressed to:

MCS 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@dcmshriram.com / amitmehra@dcmshriram.com

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

Place : New Delhi  
 Date : 28<sup>th</sup> April, 2014

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

## Declaration regarding Compliance of Code of Conduct

I, Ajay S. Shriram, Chairman & Senior Managing Director of DCM Shriram Limited hereby declare that all Board Members and Senior Management Team have affirmed compliance of the Code of Conduct for the year ended March 31, 2014.

Place : New Delhi  
Date : 28<sup>th</sup> April, 2014



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

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

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

We have examined the compliance of conditions of Corporate Governance by DCM Shriram Limited ("the Company") for the year ended March 31, 2014, 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  
(Firm's Registration No. 015125N)

Place : Gurgaon  
Date : 28<sup>th</sup> April, 2014

**Jaideep Bhargava**  
Partner  
Membership No. 90295



## Independent Auditors' Report

### To the members of DCM Shriram Limited

(Formerly DCM Shriram Consolidated Limited)

#### Report on the Financial Statements

We have audited the accompanying financial statements of **DCM SHRIRAM LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by Section 227(3) of the Act, we report that:
  - 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.
  - 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.
  - 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.
  - In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
  - On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm's Registration No. 015125N)

Jaideep Bhargava

Partner

(Membership No. 90295)

GURGAON  
April 28, 2014

#### ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

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 ("the Order") are not applicable.

- In respect of its fixed assets:
  - The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - 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) In respect of its inventory :
- (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. 21.46 crores granted during the year to five wholly owned subsidiaries covered in the register maintained under Section 301 of the Companies Act, 1956. At the year end, the loans granted to eight subsidiaries aggregate to Rs. 110.89 crores. The maximum amount due during the year of these loans was Rs. 111.00 crores. These loans include interest free loans aggregating Rs. 76.71 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 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, during the year the Company has taken loan from a subsidiary covered in the register maintained under Section 301 of the Companies Act, 1956, amounting to Rs. 4.50 crores which has been fully repaid during the year. Further opening balance of loan taken from another subsidiary amounting to Rs. 1.31 crores is outstanding at year end. The maximum amount due during the year of these loans was Rs. 5.86 crores.
- (f) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.
- (g) The payments of principal amounts and interest in respect of such loans are as per stipulations.
- (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 and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax,

## Independent Auditors' Report (Continued)

Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. 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. The details of disputed dues not paid of Excise Duty, Service Tax, Income-tax and Sales Tax dues as at March 31, 2014 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	5.30	0.05	1995-96, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12
		Central Excise and Service Tax Appellate Tribunal	3.96	1.03	1997-98, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11
Finance Act, 1994	Service Tax	Appellate authority up to Commissioners' level	0.15	-	2008-09, 2009-10, 2010-11
		Central Excise and Service Tax Appellate Tribunal	0.26	0.05	2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11
Income Tax Act, 1961	Income Tax	Appellate authority up to Commissioners' level	1.01	1.01	2009-10, 2010-11
		Income Tax Appellate Tribunal	0.71	0.71	2007-08, 2008-09
Sales Tax Laws	Sales Tax	Appellate authority up to Commissioners' level	1.43	0.49	1983-84, 2001-02, 2005-06, 2006-07, 2007-08, 2009-10, 2011-12
		Appellate Tribunal	2.54	0.83	1994-95, 2009-10

\* 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) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (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.
- (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  
(Firm's Registration No. 015125N)

GURGAON  
April 28, 2014

Jaideep Bhargava  
Partner  
(Membership No. 90295)

# BALANCE SHEET AS AT MARCH 31, 2014

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Notes	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	32.77	33.34
Reserves and surplus	2.2	1,640.79	1,367.12
		<b>1,673.56</b>	<b>1,400.46</b>
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	587.54	660.42
Deferred tax liabilities (net)	2.4	143.42	159.27
Other long-term liabilities	2.5	35.46	32.98
Long-term provisions	2.6	127.22	115.07
		<b>893.64</b>	<b>967.74</b>
<b>Current liabilities</b>			
Short-term borrowings	2.7	409.78	693.86
Trade payables	2.8	1,269.65	1,040.91
Other current liabilities	2.9	472.93	444.26
Short-term provisions	2.10	48.57	41.24
		<b>2,200.93</b>	<b>2,220.27</b>
<b>Total</b>		<b>4,768.13</b>	<b>4,588.47</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	2.11		
Tangible assets		1,410.31	1,457.01
Intangible assets		3.98	4.56
Capital work -in- progress		21.34	15.85
Intangible assets under development		-	0.17
		<b>1,435.63</b>	<b>1,477.59</b>
Non-current investments	2.12	44.68	45.37
Long-term loans and advances	2.13	247.73	182.05
Other non-current assets	2.14	12.96	8.48
		<b>1,741.00</b>	<b>1,713.49</b>
<b>Current assets</b>			
Current investments	2.15	193.64	1.27
Inventories	2.16	1,097.52	1,339.42
Trade receivables	2.17	979.63	910.58
Cash and bank balances	2.18	286.56	119.91
Short-term loans and advances	2.19	205.69	222.52
Other current assets	2.20	264.09	281.28
		<b>3,027.13</b>	<b>2,874.98</b>
<b>Total</b>		<b>4,768.13</b>	<b>4,588.47</b>
<b>Significant accounting policies and Notes to the Financial Statements 1 to 24</b>			

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

Jaideep Bhargava  
Partner

B.L. SACHDEVA  
Company Secretary

S.S. BAIJAL  
Director

AJAY S. SHRIRAM  
Chairman & Sr. Managing Director

New Delhi  
April 28, 2014

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Notes	Year ended March 31, 2014 Rs. Crores	Year ended March 31, 2013 Rs. Crores
<b>Revenue from operations</b>			
Sale of Products		6,320.15	5,632.22
Less: Excise duty		260.51	252.21
		<b>6,059.64</b>	5,380.01
Other operating revenues	2.21	21.90	19.92
		<b>6,081.54</b>	5,399.93
Other income	2.22	51.47	46.12
<b>Total Revenue</b>		<b>6,133.01</b>	5,446.05
<b>Expenses</b>			
Cost of materials consumed		1,786.06	1,917.87
Purchases of stock-in-trade		1,870.54	1,484.83
Change in inventories of finished goods, work-in-progress and stock-in-trade	2.23	285.94	(62.44)
Employee benefits expense	2.24	383.02	363.01
Finance costs	2.25	145.88	152.65
Depreciation and amortisation expense	2.11	134.13	143.82
Other expenses	2.26	1,220.11	1,188.74
<b>Total Expenses</b>		<b>5,825.68</b>	5,188.48
<b>Profit before tax and exceptional items</b>		<b>307.33</b>	257.57
Exceptional Items	14	-	(53.58)
<b>Profit before tax</b>		<b>307.33</b>	203.99
Provision for tax	2.27		
- Current tax		48.65	9.64
- Deferred tax		(15.98)	3.81
<b>Profit after tax</b>		<b>274.66</b>	190.54
<b>Earnings per equity share-basic/diluted (Rs.)</b> (Refer note 5)			
- Before exceptional item		16.56	14.55
- After exceptional item		16.56	11.49
<b>Significant accounting policies and Notes to the Financial Statements 1 to 24</b>			

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

Jaideep Bhargava  
Partner

B.L. SACHDEVA  
Company Secretary

S.S. BAIJAL  
Director

AJAY S. SHRIRAM  
Chairman & Sr. Managing Director

New Delhi  
April 28, 2014

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Year ended March 31, 2014 Rs. Crores	Year ended March 31, 2013 Rs. Crores
<b>A. Cash flow from operating activities</b>		
Net profit before tax and exceptional item	307.33	257.57
Adjustments for :		
Depreciation and amortization expense	134.13	143.82
(Profit) / Loss on sale/write off of fixed assets (net)	(7.51)	(5.57)
Profit on sale of PVC compounds business	-	(0.26)
Provision for diminution in value of non trade non current investment	-	3.78
Provision for doubtful advances-subsiary company	19.50	-
Finance costs	145.88	152.65
Less: interest and dividend income	(37.88)	(35.06)
<b>Operating profit before working capital changes</b>	<b>561.45</b>	<b>516.93</b>
Adjustments for :		
Trade receivables	(34.21)	(273.75)
Long term loans and advances	1.21	23.06
Short term loans and advances	(13.53)	34.71
Other current assets	(3.52)	(54.39)
Other non current assets	3.02	(4.03)
Inventories	241.93	(48.07)
Trade payables	226.67	193.64
Long term provisions	11.09	6.47
Short term provisions	2.76	4.82
Other long term liabilities	2.02	3.83
Other current liabilities	47.71	(44.79)
<b>Cash generated from operations</b>	<b>1,046.60</b>	<b>358.43</b>
Income taxes paid	(66.53)	(30.77)
<b>Net cash from operating activities before exceptional item</b>	<b>980.07</b>	<b>327.66</b>
Exceptional item	-	(53.58)
<b>Net cash from operating activities</b>	<b>980.07</b>	<b>274.08</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(85.32)	(44.28)
Sale of fixed assets	34.09	54.24
Fixed deposits and current account balances with banks (Earmarked)	16.06	22.98
Purchase of non-trade non current investment	(3.37)	-
Redemption of non-trade non current investment	-	0.02
Purchase of non-trade current investments	(7,862.64)	(2,758.08)
Sale of non-trade current investments	7,670.27	2,758.08
Short term Loans and advances to subsidiary companies	11.81	21.27
Long term Loans and advances to subsidiary companies	(32.67)	(9.23)
Interest received	25.90	29.84
Dividend received	9.14	7.47
Consideration pursuant to sale of PVC compounds business	33.00	33.00
Less: consideration receivable	(29.50)	(33.00)
<b>Cash flow from/(used) in investing activities</b>	<b>(213.23)</b>	<b>82.31</b>
<b>C. Cash flow from financing activities</b>		
Buy back of equity shares	(24.21)	-
Proceeds from Long term borrowings	324.53	-
Proceeds from Short term borrowings	4,281.97	4,300.58
Repayment of Long term borrowings	(414.68)	(128.64)
Repayment of Short term borrowings	(4,486.78)	(4,577.56)
Changes in working capital borrowings	(82.28)	142.95
Dividends paid	(26.54)	(19.91)
Corporate dividend tax paid	(4.52)	(2.14)
Finance costs paid	(147.71)	(157.04)
<b>Net cash used in financing activities</b>	<b>(580.22)</b>	<b>(441.76)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>186.62</b>	<b>(85.37)</b>
Cash and cash equivalents as at opening		
Cash and cheques in hand and balance with banks	87.58	173.00
Cash and bank balances acquired on amalgamation of erstwhile Bioseed Research India Limited	3.59	-
Cash and bank balances transferred on sale of PVC Compounds Business	-	0.05
Cash and cash equivalents as at closing*	91.17	172.95
Cash and cheques in hand and balance with banks	277.79	87.58
*excludes Rs. 5.78 crores (2012-13 - Rs.2.44 crores) held in dividend/margin money accounts and Rs. 2.99 crores (2012-13 -Rs. 29.89 crores) deposit with bank for specific purposes		

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

Jaideep Bhargava  
Partner

B.L. SACHDEVA  
Company Secretary

S.S. BAIJAL  
Director

AJAY S. SHRIRAM  
Chairman & Sr. Managing Director

New Delhi  
April 28, 2014

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

### 1. Significant accounting policies

#### i. Accounting convention

The financial statements are prepared under the historical cost convention. These statements have been prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) which continue to be applicable in respect of section 133 of the Companies Act, 2013 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 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:

	<b>Depreciation Rate</b>
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 basis for determining cost (which also includes taxes and duties wherever applicable) for different categories of inventory are as under:

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

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

By-products are valued at estimated net realisable value.

**v. Revenue recognition**

- a) 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 statement of profit and loss. For the Provident Fund Trust administered by the Company, it is liable to meet the shortfall, if any, in payment of interest at the rates declared by the Central Government, and such liability is recognised in the year of shortfall.

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

**viii. Research and development**

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

**ix. Income-tax**

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

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



## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
<b>2.1 SHARE CAPITAL</b>		
<b>Authorised</b>		
29,49,50,000 (2012-13- 28,49,50,000) Equity shares of Rs.2 each with voting rights	58.99	56.99
65,01,000 (2012-13 - 65,01,000) Cumulative redeemable preference shares of Rs.100 each	65.01	65.01
	<b>124.00</b>	122.00
<b>Issued</b>		
16,98,03,320 (2012-13 - 16,98,03,320) Equity shares of Rs.2 each with voting rights	33.96	33.96
<b>Subscribed and fully paid up</b>		
16,32,06,411 (2012-13 - 16,59,03,320) Equity shares of Rs. 2 each with voting rights fully called - up	32.64	33.18
Less:- 138,562 (2012-13 - Nil) Equity shares of Rs. 2 each bought back*	(0.03)	-
	<b>32.61</b>	33.18
Add :- Forfeited shares - Amount originally paid up	0.16	0.16
	<b>32.77</b>	33.34

### NOTES:

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

Subscribed and fully paid up Equity Shares:

As at April 1, 2012

As at March 31, 2013

Less: Equity shares buy back\*

As at March 31, 2014

	No. of shares	Value (Rs. Crores)
As at April 1, 2012	165,903,320	33.18
As at March 31, 2013	165,903,320	33.18
Less: Equity shares buy back*	2,696,909	0.54
As at March 31, 2014	<b>163,206,411</b>	32.64

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

	As at 31.03.2014		As at 31.03.2013	
	No. of shares	%	No. of shares	%
(ii) Shares held by the holding company:				
Sumant Investments Private Limited	98,282,284	60.22%	97,868,812	58.99%
(iii) The shareholders holding more than 5% equity shares are as under:				
Sumant Investments Private Limited	98,282,284	60.22%	97,868,812	58.99%
Life Insurance Corporation of India	12,863,749	7.88%	12,863,749	7.75%

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
<b>2.2 RESERVES AND SURPLUS</b>		
<b>Capital reserve:</b>		
Opening Balance	2.88	2.88
Less: Adjustment on merger*	(2.88)	-
	-	2.88
<b>Capital redemption reserve:</b>		
Opening Balance	8.41	8.41
Add: Transferred from share premium on account of buyback of equity shares	0.57	-
	8.98	8.41
<b>Securities premium account</b>		
Opening Balance	62.76	62.76
Less: Utilisation for buy back of equity shares	(23.64)	-
Less: Transferred to capital redemption reserve on buy back of equity shares	(0.57)	-
	38.55	62.76
<b>General reserve</b>		
Opening Balance	752.82	677.79
Add: Movement related to employees stock purchase scheme	0.11	0.03
Add: Adjustments on merger*	1.82	-
Add: Transferred from statement of profit and loss	75.00	75.00
	829.75	752.82
<b>Storage fund for molasses account</b>		
Opening Balance	0.90	0.77
Add: Transferred from statement of profit and loss	0.13	0.13
	1.03	0.90
<b>Balance in Statement of Profit and loss</b>		
Opening Balance	539.35	453.80
Add: Addition on merger*	61.93	-
Add: Profit during the year	274.66	190.54
Amount available for appropriation	875.94	644.34
Appropriations:		
Interim dividend on equity shares	13.27	13.27
Proposed final dividend on equity shares	19.49	13.27
Corporate dividend tax	5.57	3.32
Transfer to general reserve	75.00	75.00
Storage fund for molasses account	0.13	0.13
	762.48	539.35
	<b>1,640.79</b>	<b>1,367.12</b>

\* Refer note 15

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
<b>NON CURRENT LIABILITIES</b>		
<b>2.3 LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
Term loans		
From banks [Refer note 11(b)]	304.56	332.06
From others [Refer note 11(c)]	258.53	314.78
	<b>563.09</b>	646.84
<b>Unsecured</b>		
Deposits (Refer note 16)		
Fixed	8.88	7.06
Others	15.57	6.52
	<b>24.45</b>	13.58
	<b>587.54</b>	660.42
<b>2.4 DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred tax liabilities</b>		
Depreciation	216.40	222.20
	<b>216.40</b>	222.20
<b>Deferred tax assets</b>		
Provision for gratuity and compensated absences	46.73	41.64
Provision for doubtful debts and advances	5.95	6.45
Others	20.30	14.84
	<b>72.98</b>	62.93
	<b>143.42</b>	159.27
<b>2.5 OTHER LONG-TERM LIABILITIES</b>		
Interest accrued but not due on loans and deposits	8.41	8.04
Security deposits	27.04	24.60
Others	0.01	0.34
	<b>35.46</b>	32.98
<b>2.6 LONG-TERM PROVISIONS</b>		
Provision for employee benefits		
Gratuity	67.85	62.15
Compensated absences	47.28	40.83
Provision for contingencies (Refer note 18)	12.09	12.09
	<b>127.22</b>	115.07
	<b>893.64</b>	967.74

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
<b>CURRENT LIABILITIES</b>		
<b>2.7 SHORT-TERM BORROWINGS</b>		
<b>Secured*</b>		
Loans repayable on demand from banks	98.80	181.08
Other loans and advances from banks	227.09	309.02
	<b>325.89</b>	490.10
<b>Unsecured</b>		
Loans repayable on demand		
From banks	80.58	200.40
From others	2.00	2.00
Loan from subsidiary company	1.31	1.36
	<b>83.89</b>	203.76
	<b>409.78</b>	693.86
<b>2.8 TRADE PAYABLES</b>		
Total outstanding dues to micro and small enterprise**	1.41	2.89
Total outstanding dues of other than micro and small enterprise@	1,268.24	1,038.02
	<b>1,269.65</b>	1,040.91
<b>2.9 OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt (Secured)		
From banks [Refer note 11(b)]	66.90	81.48
From others [Refer note 11(c)]	85.29	75.06
Current maturities of long-term debt (Unsecured)		
From others #	5.48	15.90
Interest accrued but not due on borrowings	6.61	8.81
Advances received from customers	185.96	159.85
Unpaid dividends	2.09	1.82
Unpaid matured deposits and interest accrued thereon	0.13	0.08
Unpaid matured debentures and interest accrued thereon	0.21	0.21
Statutory levies	93.20	88.53
Others liabilities	27.06	12.52
	<b>472.93</b>	444.26
<b>2.10 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits		
Gratuity	14.03	11.39
Compensated absences	8.31	8.12
Provision for tax (net of tax paid)	3.43	6.20
Proposed dividend	19.49	13.27
Corporate dividend tax	3.31	2.26
	<b>48.57</b>	41.24
	<b>2,200.93</b>	2,220.27

\* Refer note 11(a)

\*\* Refer note 6

@ Includes amount payable to subsidiary Rs. Nil ( 2012-13 - Rs. 35.11 crores)

# Refer note 16

# NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

## NON-CURRENT ASSETS

### 2.11 FIXED ASSETS

Description	GROSS BLOCK					DEPRECIATION AND AMORTISATION					NET BLOCK	
	As at March 31, 2013	Transferred in on merger**	Additions	Deductions	As at March 31, 2014	Up to March 31, 2013	Transferred in on merger**	For the year	On deductions	Up to March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>Tangibles</b>												
Land - Freehold	57.80	8.23	0.52	0.13	66.42 *	-	-	-	-	-	66.42	57.80
- Leasehold	17.61	-	-	-	17.61	-	-	-	-	-	17.61	17.61
Buildings	250.61	1.58	6.18	1.18	257.19	52.19	0.14	6.46	0.10	58.69	198.50	198.42
Leasehold improvements	3.48	-	1.64	1.86	3.26	1.90	-	0.54	1.30	1.14	2.12	1.58
Plant and equipment	2,257.59	7.70	51.79	6.64	2,310.44	1,104.64	0.97	116.84	4.52	1,217.93	1,092.51	1,152.95
Furniture and Fixtures	15.96	0.25	1.39	0.82	16.78	11.87	0.16	0.98	0.53	12.48	4.30	4.09
Vehicles	35.50	1.04	10.19	6.34	40.39	17.53	0.64	5.47	4.43	19.21	21.18	17.97
Office equipment	22.65	0.14	3.61	1.66	24.74	16.06	0.09	2.15	1.23	17.07	7.67	6.59
<b>Sub total (This year)</b>	<b>2,661.20</b>	<b>18.94</b>	<b>75.32</b>	<b>18.63</b>	<b>2,736.83</b>	<b>1,204.19</b>	<b>2.00</b>	<b>132.44</b>	<b>12.11</b>	<b>1,326.52</b>	<b>1,410.31</b>	
Previous year	2,939.21	-	62.74	340.75	2,661.20	1,148.23	-	141.02	85.06	1,204.19		1,457.01
<b>Intangibles</b>												
Technical Know how	8.71	-	-	-	8.71	6.67	-	0.82	-	7.49	1.22	2.04
Computer Software	7.02	0.35	0.89	0.03	8.23	4.50	0.13	0.87	0.03	5.47	2.76	2.52
<b>Sub total (This year)</b>	<b>15.73</b>	<b>0.35</b>	<b>0.89</b>	<b>0.03</b>	<b>16.94</b>	<b>11.17</b>	<b>0.13</b>	<b>1.69</b>	<b>0.03</b>	<b>12.96</b>	<b>3.98</b>	
Previous year	45.79	-	0.85	30.91	15.73	35.87	-	2.80	27.50	11.17		4.56
<b>Total This year</b>	<b>2,676.93</b>	<b>19.29</b>	<b>76.21</b>	<b>18.66</b>	<b>2,753.77</b>	<b>1,215.36</b>	<b>2.13</b>	<b>134.13</b>	<b>12.14</b>	<b>1,339.48</b>	<b>1,414.29</b>	
Total Previous year	2,985.00	-	63.59	371.66	2,676.93	1,184.10	-	143.82	112.56	1,215.36		1,461.57
Capital work in progress (Refer note 8)											21.34	15.85
Intangible assets under development											-	0.17
											<b>1,435.63</b>	<b>1,477.59</b>

\* Includes Rs. 0.27 crore (2012-13 - Rs. 0.27 crore) pertaining to land situated at Hardoi pending registration in favour of the Company.

\*\* Refer note 15

	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
<b>2.12 NON-CURRENT INVESTMENTS</b> (valued at cost unless there is permanent fall in value thereof)		
<b>(a) TRADE INVESTMENTS</b>		
<b>Investment in Equity Instruments</b>		
<b>- Subsidiaries</b>		
<b>Unquoted</b>		
11,74,551 (2012-13 - 11,74,551) Equity shares of US \$ 1 each fully paid-up of Bioseeds Limited.	14.41	14.41
10,00,000 (2012-13 - 10,00,000) Equity shares of Rs. 10 each fully paid up of Hariyali Rural Ventures Limited	1.00	1.00
50,000 (2012-13 - 50,000) Equity shares of Rs. 10 each fully paid up of Fenesta India Limited	0.05	0.05
40,50,000 (2012-13 - 40,50,000) Equity shares of Rs. 10 each fully paid up of Shriram Bioseed Ventures Limited	20.05	20.05
Nil (2012-13 - 37,424) Equity shares of Rs. 100 each fully paid up of Bioseed Research India Limited. 37,424 shares cancelled on merger during the year (refer note 15)	-	4.06

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
17,50,280 (2012-13 - 17,50,280) Equity shares of Rs.10 each fully paid up of Shri Ganpati Fertilizer Limited # (Re. 1)	# 35.51	# 39.57
<b>- Others</b>		
<b>Unquoted</b>		
11,32,134 (2012-13 - 11,32,134) Equity shares of Rs.10 each fully paid up of Narmada Clean Tech Ltd	1.13	1.13
Nil (2012-13 - Nil) Equity shares of Rs. 10 each fully paid up of Forum I Aviation Private Limited	-	4.55
Less : Provision for diminution in value of investment	-	(3.28)
	-	1.27
Less : Transferred to current investment during 2012-13	-	(1.27)
	1.13	1.13
<b>(b) OTHER INVESTMENTS</b>		
<b>(i) Investment in Equity Instruments</b>		
<b>- Subsidiaries</b>		
<b>Unquoted</b>		
60,01,208 (2012-13 - 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 (2012-13 - 83,51,207) Equity shares of Rs.10 each fully paid-up of DCM Shriram Aqua Foods Limited	4.22	4.22
200,000 (2012-13 - 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)
17,32,500 (2012-13 - 50,000) Equity shares of Rs. 10 each fully paid up of Shriram Vinyl Polytech Private Limited (formerly Shriram Vinyl Polytech Ltd)	3.42	0.05
16,82,500 Equity shares subscribed during the year	0.05	0.05
50,000 (2012-13 - 50,000) Equity shares of Rs. 10 each fully paid up of Shridhar Shriram Foundation	0.05	0.05
50,007 (2012-13 - 50,007) Equity shares of Rs. 10 each fully paid up of Bioseed India Limited	0.05	0.05
5,00,000 (2012-13 - 5,00,000) Equity shares of Rs. 10 each fully paid up of Hariyali Insurance Broking Limited	0.50	0.50
Less: Provision for diminution in value of investment	(0.50)	(0.50)
	7.96	4.59
<b>(ii) Investment in Government securities</b>		
<b>Unquoted</b>		
National savings certificates	0.08	0.08
<b>TOTAL</b>	<b>44.68</b>	<b>45.37</b>
Aggregate book value:		
- Unquoted	44.68	45.37
Aggregate provision for diminution in value of investments	0.70	0.70

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
<b>2.13 LONG-TERM LOANS AND ADVANCES</b> (Unsecured considered good unless otherwise stated)		
Capital advances	4.68	2.45
Security deposits	34.95	35.14
Loans and advances to subsidiary companies (Refer note 7)	104.83	72.16
Employee loans and advances	9.53	8.79
MAT credit entitlement	89.23	57.77
Others loans and advances	4.51	5.74
	<b>247.73</b>	<b>182.05</b>
<b>2.14 OTHER NON-CURRENT ASSETS</b>		
Long-term trade receivables		
Unsecured - considered good	3.80	6.82
Fixed Deposits with banks (Earmarked)	9.16	1.66
	<b>12.96</b>	<b>8.48</b>
<b>CURRENT ASSETS</b>		
<b>2.15 CURRENT INVESTMENTS</b>		
<b>Investment in equity instruments - unquoted</b>		
Nil (2012-13 - 45,50,000) Equity shares of Rs. 10 each fully paid up of Forum I Aviation Private Limited, 45,50,000 equity shares sold during the year	-	1.27
<b>Investment in Mutual funds - unquoted</b>		
485,842 (2012-13 - Nil) Units of Rs. 1001.52 each of Tata Money Market Fund Plan A- Daily Dividend	48.66	-
847,960 (2012-13 - Nil) Units of Rs. 1001.52 each of Tata Money Market Fund Direct Plan- Daily Dividend	84.92	-
3,92,884 (2012-13 - Nil) Units of Rs. 1528.74 each of Reliance Liquid fund M-Treasury Plan - Daily Dividend Reinvestment option	60.06	-
	<b>193.64</b>	<b>1.27</b>
<b>2.16 INVENTORIES *</b>		
Raw materials	20.77	21.53
Work-in-progress	28.14	33.73
Finished goods	850.54	1,141.99
Stock-in-trade	50.76	39.66
Stores and spares	147.31	102.51
	<b>1,097.52</b>	<b>1,339.42</b>
<b>2.17 TRADE RECEIVABLES **</b>		
Outstanding for a period exceeding six months from due date for payment		
Secured - considered good	0.05	0.08
Unsecured - considered good	161.00	161.08
Unsecured - considered doubtful	15.51	14.99
	<b>176.56</b>	<b>176.15</b>
Less: Provision for doubtful receivables	15.51	14.99
	<b>161.05</b>	<b>161.16</b>
Others		
Secured - considered good	0.75	1.66
Unsecured - considered good	817.83	747.76
	<b>979.63</b>	<b>910.58</b>

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
<b>2.18 CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Balances with banks on		
-current accounts @	182.08	85.79
-deposit accounts #	1.64	26.31
Cheques on hand	0.34	2.37
Cash on hand	1.15	1.86
<b>Other bank balances</b>		
-deposit accounts #	101.35	3.58
	<b>286.56</b>	<b>119.91</b>
<b>2.19 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured Considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	154.34	136.27
Considered doubtful	1.99	3.19
	<b>156.33</b>	<b>139.46</b>
Less: Provision for doubtful advances	1.99	3.19
	<b>154.34</b>	<b>136.27</b>
Loans and advances to subsidiary companies (Refer note 7)		
Considered good	12.77	44.08
Considered doubtful	19.50	-
	<b>32.27</b>	<b>44.08</b>
Less: Provision for doubtful advances	19.50	-
	<b>12.77</b>	<b>44.08</b>
Employee loans and advances	4.73	4.31
Deposits (Refer note 7)	22.61	26.34
Balances with customs, excise etc.	11.24	11.52
	<b>205.69</b>	<b>222.52</b>
<b>2.20 OTHER CURRENT ASSETS</b>		
(Unsecured Considered good unless otherwise stated)		
Other receivables		
Considered good	35.52	31.26
Considered doubtful	-	0.81
	<b>35.52</b>	<b>32.07</b>
Less: Provision for doubtful claims	-	0.81
	<b>35.52</b>	<b>31.26</b>
Unbilled revenue	12.07	12.79
Consideration receivable against sale of PVC compounds business	29.50	33.00
Interest accrued on investments, deposits etc.	4.77	1.93
Fixed assets held for sale	182.23	202.30
	<b>264.09</b>	<b>281.28</b>
	<b>3,027.13</b>	<b>2,874.98</b>

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

\*\* includes amount due from subsidiaries Rs. 17.91 crores ( 2012-13 - Rs. 14.45 crores)

@ Includes Rs. 5.78 crores (2012-13 - Rs.2.44 crores) balances with banks earmarked for unpaid dividends, debenture interest, margin money etc.

# includes Rs. 2.99 crores (2012-13 - Rs. 29.89 crores) Earmarked for specific purposes



## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Year ended March 31, 2014 Rs. Crores	Year ended March 31, 2013 Rs. Crores
<b>2.21 OTHER OPERATING REVENUES</b>		
Income from services	-	0.65
Rent	0.60	0.53
Liabilities/provisions no longer required written back	6.55	3.14
Scrap sale and other miscellaneous income	14.75	15.60
	<b>21.90</b>	<b>19.92</b>
<b>2.22 OTHER INCOME</b>		
Interest income #	28.74	27.59
Dividend income on unquoted trade non-current investments	-	6.74
Dividend income on unquoted current investments	9.14	0.73
Profit on sale of fixed assets (net)	7.51	5.57
Rent	4.71	4.21
Profit on sale of PVC compounds business	-	0.26
Miscellaneous income	1.37	1.02
	<b>51.47</b>	<b>46.12</b>
# Income-tax deducted at source -Rs. 1.66 crores (2012-13 - Rs.1.60 crores)		
<b>2.23 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Closing stock	929.44	1,215.38
Opening stock	1,215.38	1,166.36
Less: Stock transferred to Shriram Vinyl Polytech Limited pursuant to slump sale	-	5.11
Change in inventories	1,215.38	1,161.25
	<b>285.94</b>	<b>(54.13)</b>
Less: Loss on inventory of finished goods on restructuring and rationalization of Hariyali Kisaan Bazaar's operation included in exceptional item	-	8.31
	<b>285.94</b>	<b>(62.44)</b>
<b>2.24 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages, bonus, gratuity, commission, etc.	338.49	321.75
Expense on Employee stock purchase scheme *	1.84	1.33
Provident and other funds	23.31	22.18
Welfare	19.38	17.75
	<b>383.02</b>	<b>363.01</b>
* Refer note 13		
<b>2.25 FINANCE COSTS</b>		
Interest expenses	75.02	102.23
Other borrowing costs	2.16	4.43
Net loss on foreign currency transactions and translation	68.70	45.99
	<b>145.88</b>	<b>152.65</b>

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Year ended March 31, 2014 Rs. Crores	Year ended March 31, 2013 Rs. Crores
<b>2.26 OTHER EXPENSES</b>		
Consumption of stores and spare parts	205.87	224.65
Power, fuel etc	608.92	566.15
Rent	19.37	17.71
Repairs		
Buildings	10.48	6.66
Plant and machinery	30.51	30.49
Donation @	2.44	0.15
Insurance	8.88	8.81
Rates and taxes	3.88	4.15
Auditors' remuneration		
Audit fee	0.75	0.67
Tax audit	0.09	0.09
Limited reviews	0.40	0.35
Other certification services*	0.76	0.65
Out-of-pocket expenses	0.03	0.04
Directors' fees	0.12	0.10
Bad debts and advances written off	5.74	2.69
Less: adjusted against provision for doubtful debts and advances	(4.41)	(2.43)
Provision for doubtful debts and advances #	23.82	5.09
Freight and transport	57.32	53.64
Commission to selling agents	6.49	6.71
Brokerage, discounts (other than trade discounts), etc.	3.07	2.39
Selling expenses	74.21	72.89
Exchange fluctuation	2.90	10.83
Royalty	59.98	86.83
Increase/(decrease) in excise duty on finished goods	(10.99)	(1.16)
Provision for diminution in the value of long term investment	-	3.78
Miscellaneous expenses	109.52	86.89
	1,220.15	1,188.82
Less:- Cost of own manufactured goods capitalised	(0.04)	(0.08)
	1,220.11	1,188.74

@ Refer note 12

\* Includes service tax

# Includes Rs. 19.50 crores (2012-13: Rs. Nil) in respect of advance given to a subsidiary company

### 2.27 PROVISION FOR TAX

Current tax	66.07	41.25
Less:- MAT credit entitlement	(17.42)	(31.61)
Deferred Tax	(15.98)	3.81
	32.67	13.45

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	This Year Rs. Crores	Previous Year Rs. Crores
<b>2. (i) Contingent liabilities not provided for:</b>		
Claims* (excluding claims by employees where amount not ascertainable) not acknowledged as debts:		
Sales tax matters	1.33	1.33
Excise matters	2.12	2.12
Additional premium on land	8.11	8.11
Others	5.93	5.93
<b>Total</b>	<b>17.49</b>	<b>17.49</b>
* all the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of management the legal proceedings, when ultimately concluded, will not have a material effect on results of operations or financial position of the Company.		
(ii) Capital commitments (net of advances)	19.18	2.33
(iii) Guarantees given to financial institutions, banks and other parties in respect of loans availed by subsidiaries and other parties:		
Amount guaranteed	1.85	5.07
Amount of loans outstanding	0.04	2.88
(iv) Guarantees given for dealers in respect of short term financing arrangement	-	7.81
Amount of loans outstanding	-	7.81

3. In accordance with past practice, the Company has taken revenue credits aggregating Rs. 18.25 crores (2012-13 - Rs. Nil) for urea subsidy claims, which are pending notification/ final acceptance by 'Fertiliser Industry Coordination Committee' (FICC), Government of India, in pursuance of the Retention Price Scheme administered for nitrogenous fertilisers. Necessary adjustments to revenue credits so accrued will be made on issuance of notification by FICC, Government of India.

#### 4. Segment reporting

##### A. Business segments:

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting" 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), Shriram 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:

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
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### a) Segment revenue and expenses:

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

### b) Segment assets and liabilities:

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

### c) Inter segment sales:

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

## D. Information about business segments

Rs. Crores

PARTICULARS	Fertiliser		Shriram Farm Solutions		Bioseed		Sugar		Hariyali Kisaan Bazaar		Chloro-Vinyl		Cement		Others		Elimination		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
<b>1. REVENUE</b>																				
External sales (Gross)	626.13	525.06	1778.83	1291.44	199.02	185.64	1554.06	1391.87	427.51	510.08	1358.13	1257.57	148.61	154.76	227.86	315.80			6320.15	5632.22
Other Operating Income	1.53	2.92	0.11	0.65	2.17	1.84	6.45	5.82	1.58	3.10	7.62	3.80	1.23	0.64	1.21	1.15			21.90	19.92
Inter segment sales			0.55	10.47	219.41	118.29				2.38	16.07	47.95	0.25	0.12	0.06	0.30	236.34	179.51		
<b>Total revenue</b>	<b>627.66</b>	<b>527.98</b>	<b>1779.49</b>	<b>1302.56</b>	<b>420.60</b>	<b>305.77</b>	<b>1560.51</b>	<b>1397.69</b>	<b>429.09</b>	<b>515.56</b>	<b>1381.82</b>	<b>1309.32</b>	<b>150.09</b>	<b>155.52</b>	<b>229.13</b>	<b>317.25</b>	<b>236.34</b>	<b>179.51</b>	<b>6,342.05</b>	<b>5,652.14</b>
<b>2. RESULTS</b>																				
Segment results	23.18	11.06	65.17	55.26	50.76	21.12	(5.36)	64.52	5.76	(34.37)	374.37	344.14	(0.33)	17.32	(9.53)	(33.92)			504.02	445.13
Unallocated expenses (net of income)																			50.81	34.91
<b>Operating profit/(loss)</b>	<b>23.18</b>	<b>11.06</b>	<b>65.17</b>	<b>55.26</b>	<b>50.76</b>	<b>21.12</b>	<b>(5.36)</b>	<b>64.52</b>	<b>5.76</b>	<b>(34.37)</b>	<b>374.37</b>	<b>344.14</b>	<b>(0.33)</b>	<b>17.32</b>	<b>(9.53)</b>	<b>(33.92)</b>			<b>453.21</b>	<b>410.22</b>
Interest expense and finance cost																			145.88	152.65
<b>Profit before tax and exceptional item</b>																			<b>307.33</b>	<b>257.57</b>
Exceptional item																			-	53.58
<b>Profit before tax</b>																			<b>307.33</b>	<b>203.99</b>
Provision for taxation																			32.67	13.45
<b>Net profit</b>																			<b>274.66</b>	<b>190.54</b>
<b>3. OTHER INFORMATION</b>																				
<b>A. ASSETS</b>																				
Segment assets	478.99	340.36	599.88	626.97	418.66	432.25	1262.41	1590.09	212.76	239.42	747.10	735.30	46.93	50.34	162.85	208.23			3,929.58	4,222.96
Unallocated assets																			838.55	365.51
<b>Total assets</b>	<b>478.99</b>	<b>340.36</b>	<b>599.88</b>	<b>626.97</b>	<b>418.66</b>	<b>432.25</b>	<b>1262.41</b>	<b>1590.09</b>	<b>212.76</b>	<b>239.42</b>	<b>747.10</b>	<b>735.30</b>	<b>46.93</b>	<b>50.34</b>	<b>162.85</b>	<b>208.23</b>			<b>4,768.13</b>	<b>4,588.47</b>
<b>B. LIABILITIES</b>																				
Segment liabilities	89.18	88.29	422.86	232.50	182.41	255.59	712.12	564.96	12.89	9.20	179.95	181.66	32.50	25.17	55.90	58.22			1,687.81	1,415.59
Share capital and reserves																			1,673.56	1,400.46
Secured and unsecured loans																			1,155.33	1,526.77
Unallocated liabilities																			251.43	245.65
<b>Total liabilities</b>	<b>89.18</b>	<b>88.29</b>	<b>422.86</b>	<b>232.50</b>	<b>182.41</b>	<b>255.59</b>	<b>712.12</b>	<b>564.96</b>	<b>12.89</b>	<b>9.20</b>	<b>179.95</b>	<b>181.66</b>	<b>32.50</b>	<b>25.17</b>	<b>55.90</b>	<b>58.22</b>			<b>4,768.13</b>	<b>4,588.47</b>
<b>C. OTHERS</b>																				
Capital expenditure	8.96	5.62	-	-	6.82	2.19	12.60	13.33	0.56	-	39.00	11.42	2.49	3.88	5.86	4.08				
Depreciation	10.98	10.84	-	0.01	1.57	0.75	46.01	45.63	0.17	4.98	62.08	65.61	2.49	2.33	8.15	11.31				
Non cash expenses other than depreciation	0.02	1.38	19.50	0.73	0.20	0.14	-	0.20	0.16	23.52	0.40	1.23	-	0.14	4.87	5.20				

## NOTES TO THE ACCOUNTS (Continued)

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### 5. Earnings per share:

	This year	Previous year
Profit after tax and exceptional item (Rs. Crores)	274.66	190.54
Exceptional item, net of taxes (Rs. Crores)	-	(50.90)
Profit after tax but before exceptional item (Rs. Crores)	274.66	241.44
Weighted average number of equity shares outstanding	16,58,52,548	16,59,03,320
Basic and diluted earnings per share in rupees (face value – Rs.2 per share) :		
- Before exceptional item	16.56	14.55
- After exceptional item	16.56	11.49

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. 1.38 crores (2012-13 - Rs. 2.88 crores) and Rs. 0.03 crore (2012-13 – Rs. 0.01 crore) respectively.

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

Rs. Crores

Name of the party	Amount outstanding as at year end		Maximum amount outstanding during the year	
	This year	Previous year	This year	Previous year
DCM Shriram Credit and Investments Limited	5.90	5.81	5.90	6.16
DCM Shriram Infrastructure Limited	30.78	30.02	30.78	30.02
Shriram Bioseed Ventures Limited	74.04	55.74	74.04	55.74
Shri Ganpati Fertilizers Limited	26.22	24.20	29.34	31.98
Hariyali Rural Ventures Limited*	19.90	23.86	23.92	28.61
DCM Shriram Foundation (formerly Hariyali Rural Foundation)	0.02	0.01	0.02	0.01
DCM Shriram Energy and Infrastructure Limited	0.01	0.01	0.01	0.01
Hariyali Insurance Broking Limited	0.11	0.21	0.23	0.28
Shriram Vinyl Polytech Pvt. Ltd.	-	0.24	-	0.24
DCM Shriram Thermal Energy Ltd	0.01	\$	0.01	\$
DCM Shriram Hydro Energy Ltd	0.01	#	0.01	#
<b>Total</b>	<b>157.00</b>	140.10		

\$ (2012-13 Rs 50,000) and # (2012-13 Rs 35,000)

\* represents security deposit

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

Rs. Crores

Particulars	This year	Previous year
Salaries, wages, bonus, gratuity etc.	-	0.42
Provident and other funds	-	0.10
Welfare	-	0.02
Miscellaneous expenses	-	0.17
	-	0.71
Add: Brought forward from the previous year	5.78	6.14
Less: Charged to statement of profit and loss	-	1.07
<b>Transferred to capital work-in-progress</b>	<b>5.78</b>	<b>5.78</b>

9. Related party disclosures under Accounting Standard AS-18 "Related Party Disclosures" 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, DCM Shriram Foundation (formerly Hariyali Rural Foundation), Hariyali Rural Ventures Limited, Hariyali Insurance Broking Limited, DCM Shriram Energy and Infrastructure Ltd., DCM Shriram Hydro Energy Limited, Shriram Vinyl PolyTech Pvt. Limited (formerly Shriram Vinyl PolyTech Limited), Fenesta India Ltd., Shri Ganpati Fertilizers Limited, Shriram Bioseed (Thailand) Ltd., Bioseeds Limited, Bioseed Research Philippines Inc., Bioseeds Holdings PTE. Ltd., Bioseed Vietnam Limited, Shriram Bioseed Ventures Limited, Shriram Bioseeds Ltd., Zeus Investments Ltd., Shridhar Shriram Foundation, PT Shriram Seed Indonesia, Bioseed Research USA Inc., PT Shriram Genetics 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), Mrs. Anuradha Bishnoi (relative of Mr. Ajay S. Shriram), M/s. Ajay S. Shriram (HUF), M/s. Vikram S. Shriram (HUF), M/s. Ajit S. Shriram (HUF)

\*(upto 31.10.2013)

# NOTES TO THE ACCOUNTS (Continued)

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

TYPE OF TRANSACTIONS	Rs. Crores																			Total
	DCM Shriram Credit and Investments Ltd.	DCM Shriram Aqua Foods Ltd.	DCM Shriram Infrastructure Ltd.	Shriram Bioseed Ventures Ltd.	Hariyali Rural Ventures Ltd.	Shri Ganpati Fertilizers Ltd.	DCM Shriram Energy and Infrastructure Ltd.	DCM Shriram Foundation	DCM Shriram Thermal Energy Ltd.	Bioseed Vietnam Ltd.	Bioseed Research Philippines Ltd.	PT Shriram Seed Indonesia	Hariyali Insurance Broking Ltd.	Shriram Vinyl Polytech Pvt Ltd.	DCM Shriram Hydro Energy Ltd.	Fenesta India Ltd.	Bioseed Research India Ltd. \$	Key managerial personnel their relatives and their HUF		
Sale of finished goods									1.55	0.58	0.92		26.85*		25.07					54.97
									(0.22)	(3.97)	(0.25)		(0.07)		(13.80)					(18.31)
Sale of PVC Compounds Business														-						-
														(33.00)						(33.00)
Interest income	0.59			1.55		2.31														4.45
	(0.62)			(1.08)		(1.94)														(3.64)
Interest expenses		0.13																		0.13
		(0.09)																		(0.09)
Common services expenses recovered					-								-	0.96						0.96
					(0.02)							(0.04)		(0.21)						(0.27)
Purchases of finished goods						27.12								0.05						27.17
						(34.32)								(-)						(34.32)
Rent paid					@															5.10
					@															(4.92)
Rent received													0.01							0.01
												(0.01)								(0.01)
Security deposits given					-															0.09
					(0.07)															(-)
Security deposits received back					3.96															0.48
					(2.48)															(0.07)
Compensation paid					-															-
					(2.27)															(2.27)
Remuneration																				14.04
																				(10.98)
Collection charges received													-							-
													^							-
Loans and advances given (net)	0.09		0.76	18.30			#	0.01	##				-		#					19.16
	(-)		(2.32)	(12.30)			#	(-)	##				(0.04)		#					(14.66)
Loans repaid (net)		0.05																		0.05
		(-)																		-
Loans and advances received back (net)	-												0.01							-
	(0.32)												(-)							(0.28)
Loans taken		-																		-
		(1.36)																		(1.36)
Royalty Expense																				-
																				(51.70)
Provision for doubtful debts / advances						19.50														19.50
						(-)														-
Bad debts / advances written off													0.11							0.11
													(-)							-
<b>Balance outstanding as at the year end</b>																				
Security deposits receivable					19.90															8.34
					(23.86)															(8.73)
Loans and advances receivable	5.90		30.78	74.04		26.22	0.01	0.02	0.01				0.11	-	0.01					137.10
	(5.81)		(30.02)	(55.74)		(24.20)	(0.01)	(0.01)	\$\$				(0.21)	(0.24)	**					(116.24)
Loan payable		1.31																		1.31
		(1.36)																		(1.36)
Interest receivable				1.55																1.55
				(-)																-
Trade receivable					-					10.16	5.21	1.29		1.25						17.91
					(0.02)					(7.67)	(4.13)	(0.25)		(-)		(2.38)				(14.45)
Interest payable		0.22																		0.22
		(0.09)																		(0.09)
Trade payable														-						-
														(0.36)		(34.75)				(35.11)
Purchase consideration receivable														29.50						29.50
														(33.00)						(33.00)
Loan outstanding in respect of guarantee given																				-
																(2.88)				(2.88)
Commission Payable																				4.33
																				(2.90)
																				(2.90)

Figures in bracket denotes previous year figures  
 (#) Rs.25,000 (2012-13 Rs.20,000)  
 ## Rs.25,000 (2012-13 Rs.15,000)  
 @ Rs.4,800 (2012-13 Rs.10,000)  
 \$\$ (2012-13 Rs.50,000)  
 ^ (2012-13 Rs.15,000)  
 ^^ (2012-13 Rs.35,000)  
 \$ Refer Note 15  
 \* includes sale of common utilities

## NOTES TO THE ACCOUNTS (Continued)

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

Nature of the transaction	Name	Rs. Crores	
		This year	Previous year
Rent paid	M/s. Ajay S. Shriram (HUF)	1.47	1.40
	M/s. Vikram S. Shriram (HUF)	1.29	1.18
	M/s. Ajit S. Shriram (HUF)	1.31	1.23
	Mr. Rajiv Sinha	0.42	0.45
	Relatives of Key management personnel	0.61	0.66
		5.10	4.92
Security deposits received back	Mr. Rajiv Sinha	0.21	0.04
	Relatives of Key management personnel	0.27	0.03
		0.48	0.07
Loans and advances received back	Mr. Rajiv Sinha	-	0.14
	Relatives of Key management personnel	-	0.14
		-	0.28
Remuneration	Mr. Ajay S. Shriram	3.78	2.86
	Mr. Vikram S. Shriram	3.64	2.64
	Mr. Rajiv Sinha	2.83	2.48
	Mr. Ajit S. Shriram	3.05	2.13
	Mr. N.J Singh	0.58	0.60
	Relatives of Key management personnel	0.16	0.27
		14.04	10.98

### 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	16.70	15.64
- Employers' contribution to superannuation fund	6.61	6.54
- Employers' contribution to employees' state insurance corporation	0.41	0.40

#### 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			
	This Year	Previous Year	Earned leave (Unfunded)		Sick leave (Unfunded)	
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	9%	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%

# NOTES TO THE ACCOUNTS (Continued)

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Rs. Crores

	Gratuity (Partially funded)		Compensated absences			
			Earned leave (Unfunded)		Sick leave (Unfunded)	
	This Year	Previous Year	This Year	Previous year	This Year	Previous Year
<b>I. Expense recognised in statement of profit and loss</b>						
Current service cost	4.94	4.55	3.70	4.89	1.79	1.53
Interest cost	6.10	5.65	2.58	2.42	1.69	1.53
Expected return on plan assets	(0.10)	(0.06)	-	-	-	-
Net actuarial( gain) / loss recognised in the year	3.52	2.81	1.96	0.71	(1.27)	(1.35)
Past service cost	-	-	-	-	-	-
Total expense	14.46	12.95	8.24	8.02	2.21	1.71
*IALM (2006-08) duly modified						
<b>II. Net asset/(liability) recognised in the balance sheet</b>						
Present value of Defined benefit obligation	83.72	74.49	34.28	30.05	21.31	18.90
Fair value of plan assets	1.84	0.95	-	-	-	-
Funded status [(deficit)]	(81.88)	(73.54)	(34.28)	(30.05)	(21.31)	(18.90)
Net asset/(liability)	(81.88)	(73.54)	(34.28)	(30.05)	(21.31)	(18.90)
Non-current liability	(67.85)	(62.15)	(30.99)	(27.15)	(16.29)	(13.68)
Current liability	(14.03)	(11.39)	(3.29)	(2.90)	(5.02)	(5.22)
<b>III. Change in the present value of obligation during the year</b>						
Present value of obligation as at the beginning of the year	74.49	69.03	30.05	27.95	18.90	17.61
Interest cost	6.10	5.65	2.58	2.42	1.69	1.53
Current service cost	4.94	4.55	3.70	4.89	1.79	1.53
Benefits paid	(6.15)	(6.01)	(4.63)	(5.15)	-	-
Actuarial (gains) / losses on obligation	3.57	2.81	1.96	0.71	(1.27)	(1.35)
Transfer from BRI pursuant to Merger #	0.77	-	0.62	-	0.20	-
Transfer to SBM Yarn Ltd pursuant to slump sale	-	(1.54)	-	(0.77)	-	(0.42)
Present value of obligation as at the end of the year	83.72	74.49	34.28	30.05	21.31	18.90
<b>IV. Change in the fair value of assets during the year</b>						
Fair value of plan assets at the beginning of the year	0.95	0.63	-	-	-	-
Transfer from BRI pursuant to Merger	0.48	-	-	-	-	-
Expected return on plan assets	0.10	0.06	-	-	-	-
Employer contribution	0.28	0.27	-	-	-	-
Actual benefits paid	(0.02)	(0.01)	-	-	-	-
Actuarial gain/(loss) on plan assets	0.05	-	-	-	-	-
Fair value of plan assets at the end of the year	1.84	0.95	-	-	-	-
Actual return on plan assets	0.15	0.06	-	-	-	-

# Refer note 15

## Note:

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

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

Rs. Crores

Particulars	2013-14			2012-13			2011-12			2010-11			2009-10		
	Gratuity	Earned leave	Sick leave	Gratuity	Earned leave	Sick leave	Gratuity	Earned leave	Sick leave	Gratuity	Earned leave	Sick leave	Gratuity	Earned leave	Sick leave
Present value of obligation as at the end of the year	83.72	34.28	21.31	74.49	30.05	18.90	69.03	27.95	17.61	61.90	25.13	15.80	53.28	20.81	13.87
Fair value of plan assets at the end of the year	1.84	-	-	0.95	-	-	0.63	-	-	0.47	-	-	-	-	-
Surplus / (Defecit) in plan assets	(81.88)	(34.28)	(21.31)	(73.54)	(30.05)	(18.90)	(68.40)	(27.95)	(17.61)	(61.43)	(25.13)	(15.80)	(53.28)	(20.81)	(13.87)
Experience adjustment on plan assets { Gain / (loss) }	0.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Experience adjustment on plan liabilities { Gain / (loss) }	3.57	1.96	(1.27)	2.75	0.71	(1.35)	3.42	1.67	(1.16)	4.56	2.28	(0.61)	-	-	-



## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

### 11. Secured loan

<b>a. Short term working capital borrowings from banks:</b>		
1.	Loans from banks on cash credit account of Rs. 98.80 Crores (2012-13 - Rs. 179.45 Crores) are secured by first pari passu charge on whole of the current assets, both present and future, of the Company (except Shriram Bioseed Genetics, Hyderabad and Bioseed Research India, Hyderabad). These loans are further secured by a third charge by way of mortgage/hypothecation of all the immovable/movable properties (other than current assets) of the Company's undertakings located at Kota in Rajasthan and Ajbapur, Rupapur, Loni and Hariawan in Uttar Pradesh. Amount of Rs. Nil (2012-13 - Rs. 1.63 Crores) 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.227.09 Crores (2012-13 - Rs. 309.02 Crores) are secured by first pari passu charge on whole of the current assets, both present and future, of the Company (except Shriram Bioseed Genetics, Hyderabad and Bioseed Research India, Hyderabad), and a third charge by way of mortgage/hypothecation of all the immovable/movable properties (other than current assets) of the Company's undertakings at Kota in Rajasthan and Ajbapur, Rupapur, Loni and Hariawan in Uttar Pradesh.	
<b>b. Long term borrowings from banks:</b>		
<b>NATURE OF SECURITY</b>	<b>TERMS OF REPAYMENT</b>	
1.	Term loans of Rs. 74.89 Crores (2012-13 - Rs. 147.27 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. 20.96 Crores due within 1 year; 2012-13 - Rs. 11.89 Crores)	- Rs. 74.89 Crores repayable in 6 Semi-Annual Installments
2.	Term loan of Rs. Nil (2012-13 - Rs. 16.00 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 Kota, Rajasthan (Rs. Nil due within 1 year; 2012-13-Rs. 8.00 Crores)	
3.	Term loan of Rs. Nil (2012-13 - Rs. 23.68 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 undertakings at Ajbapur and Hariawan in Uttar Pradesh in equal proportion (Rs. Nil due within 1 year; 2012-13 - Rs. 23.68 Crores)	
4.	Term loan of Rs. Nil (2012-13 - Rs. 108.58 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 undertaking at Loni in Uttar Pradesh (Rs. Nil due within 1 year; 2012-13 - Rs. 36.20 Crores)	
5.	Term Loans of Rs. 59.91 Crores (2012-13 - Rs. Nil ) is secured by way of first pari - passu mortgage/charge created on immovable /movable fixed assets, both present and future, of the Company's undertaking at Loni in Uttar Pradesh and Rs. 19.97 Crores (2012-13 - Rs. Nil) is secured by way of first charge created on movable fixed assets, both present and future, of the Company's undertaking at Rupapur in Uttar Pradesh (Rs. 39.94 Crores due within 1 year; 2012-13 - Rs. Nil)	- Rs.79.88 Crores repayable in 4 equal Semi- Annual installments
6.	Term Loan of Rs. 0.01 Crores (2012-13 - Rs 9.43 Crores) is secured by way of equitable mortgage of Land/Building, both present and future, of Company's undertaking at Tonk, Rajasthan (Rs. 0.01 Crore due within 1 year; 2012-13 - Rs. 1.71 Crores)	- Rs. 0.01 Crores repayable in 1 Annual Installment
7.	Term Loans of Rs. 89.87 Crores (2012-13 - Rs. 81.44 Crores) and Rs. 29.95 Crores (2012-13 -Rs. 27.14 Crores) are secured by way of first pari -passu mortgage/charge created on immovable / movable fixed assets, both present and future, of the Company's undertaking at Ajbapur in Uttar Pradesh and Loni in Uttar Pradesh (Rs. 5.99 Crores due within 1 year; 2012-13 - Rs. Nil)	- Rs. 119.82 Crores repayable in 8 Semi -Annual Installments starting from October 2014
8.	Term loan of Rs. 96.86 Crores (2012-13 - Rs. Nil) is secured by way of second pari passu charge created/to be created on all the current assets, both present and future, of the Company, (except Shriram Bioseed Genetics, Hyderabad and Bioseed Research India, Hyderabad) and by way of third pari passu mortgage /charge created/to be created on immovable/movable fixed assets, both present and future, of the Company's undertaking at Ajbapur, Rupapur, Hariawan and Loni in Uttar Pradesh. (Rs. Nil due within 1 year; 2012-13 - Rs. Nil)	- Rs. 96.86 Crores repayable in 12 Equal Quarterly Installments starting from March 2016
<b>c. LONG TERM LOANS FROM OTHERS:</b>		
1.	Term loan of Rs. 230.42 Crores (2012-13 - Rs. 250.57 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. 46.08 Crores due within 1 year; 2012-13 - Rs. 41.76 Crores)	- Rs. 230.42 Crores repayable in 10 equal Semi-Annual Installments

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

### 11. Secured loan (Continued)

	NATURE OF SECURITY	TERMS OF REPAYMENT
2.	Term loan of Rs. 35.95 Crores (2012-13 - Rs 54.29 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. 23.96 Crores due within 1 year; 2012-13 - Rs. 21.72 Crores)	- Rs.35.95 Crores repayable in 3 Equal Semi- Annual Installments
3.	Term loans of Rs. 26.64 Crores (2012-13 - Rs. 27.83 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 undertaking at Ajbapur in Uttar Pradesh (Rs. 5.33 Crores due within 1 year; 2012-13 - Rs. 1.19 Crores)	- Rs. 26.64 Crores repayable in 5 Equal Annual Installments starting from May 2014
4.	Term loan of Rs. 13.18 Crores (2012-13 - Rs. 16.72 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 undertaking at Hariawan in Uttar Pradesh (Rs. 5.27 Crores due within 1 year; 2012-13 - Rs. 4.79 Crores)	- Rs. 13.18 Crores repayable in 5 Equal Semi-Annual Installments
5.	Term loan of Rs. 9.84 Crores (2012-13 - Rs. 13.12 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 undertaking at Hariawan in Uttar Pradesh (Rs. 3.28 Crores due within 1 year; 2012-13 - Rs. 3.28 Crores)	- Rs. 9.84 Crores repayable in 12 Quarterly Installments
6.	Term loan of Rs. 14.24 Crores (2012-13 - 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 undertaking at Rupapur in Uttar Pradesh (Rs. Nil due within 1 year; 2012-13 - Rs. Nil)	- Rs. 14.24 Crores repayable in 5 Annual Equal Installments starting from December 2016
7.	Term loans of Rs. Nil (2012-13 - Rs. 2.32 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 and Hariawan in Uttar Pradesh (Rs. Nil due within 1 year; 2012-13 - Rs. 2.32 Crores)	
8.	Term Loan of Rs. 10.75 Crores (2012-13 - Rs. Rs. 10.75 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts) both present and future, pertaining to the Company's undertaking at Loni in Uttar Pradesh (Rs. 1.08 due within 1 year; 2012-13 - Rs. Nil)	- Rs. 10.75 Crores repayable in 10 Equal Semi- Annual Installments starting from March 2015
9.	Term loan of Rs. 2.80 Crores (2012-13 - Rs. Nil) from Department of Biotechnology, Government of India is secured against hypothecation of plant and machinery, machinery spares, tools and accessories acquired from the loan proceeds by Company's Bioseed Research India undertaking at Hyderabad. (Rs. 0.29 Crores due within 1 year; 2012-13 - Rs. Nil)	- Rs. 0.20 Crores repayable in 7 equal installments - Rs. 2.05 Crores repayable in 8 equal annual installments - Rs. 0.55 Crores repayable in 10 equal installments commencing after completion of project.

12. Donation includes Rs. 2 crores (2012-13 - Rs. Nil) to Satya Electoral Trust as political contribution.

### 13. Employee share based payments

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

14. Exceptional items represents the expenses relating to restructuring and rationalization of Hariyali Kisaan Bazaar's operations during financial year 2012-13.

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
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15. Pursuant to the Scheme of Amalgamation (Scheme) for amalgamation of Bioseed Research India Limited (BRI), wholly owned subsidiary of the Company, under sections 391 to section 394 of the Companies Act, 1956 approved by the Hon'ble High Court of Delhi vide its order dated January 21, 2013 which became effective on May 1, 2013 on filing of the certified copy of the orders of the High Court in the office of the Registrar of Companies, w.e.f April 1, 2013, the appointed date of the Scheme:

- (i) the entire business of BRI engaged in the research and development of seeds, seedlings, sapling etc. has been transferred to the Company.
- (ii) the amalgamation has been accounted for under 'the pooling of interests method' prescribed under Accounting Standard – 14 "Accounting for Amalgamations" notified under Companies (Accounting Standard) Rules, 2006 whereby the following assets and liabilities of BRI have been incorporated into the financial statements

	Rs. Crores
<b>Assets</b>	
Fixed Assets	17.16
Long term loans and advances	15.51
Inventories	0.03
Trade receivables	34.85
Cash and bank balances	3.59
Short term loans and advances and other current assets	3.28
<b>Total</b>	<b>74.42</b>
<b>Liabilities</b>	
Long term borrowings	2.50
Long term provisions and other liabilities	1.14
Trade payables	2.06
Short term borrowings	3.00
Other current liabilities and Short term provisions	0.66
Deferred tax liabilities	0.13
<b>Total</b>	<b>9.49</b>
<b>Net Assets</b>	<b>64.93</b>
Less: Reserves and surplus	
- General reserve	(2.63)
- Balance in statement of profit and loss	(61.93)
	<b>0.37</b>
Less: Value of investments held by the Company in BRI	(4.06)
<b>Amount to be adjusted against Capital reserve /General Reserve as per Scheme</b>	<b>(3.69)</b>

Out of Rs. 3.69 crores above, Rs. 2.88 crores and Rs. 0.81 crores has been reduced from capital reserve and general reserve respectively.

16. Deposits received under Section 58A of the Companies Act, 1956 are repayable upto March 2017 based on the maturity dates. (Rs. 5.48 crores due within 1 year; 2012-13 Rs. 15.90 crores).

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
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17. 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, 2014 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	5.30	0.05	1995-96, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12
		Central Excise and Service Tax Appellate Tribunal	3.96	1.03	1997-98, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11
Finance Act, 1994	Service Tax	Appellate authority up to commissioners' level	0.15	-	2008-09, 2009-10, 2010-11
		Central Excise and Service Tax Appellate Tribunal	0.26	0.05	2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11
Income Tax Act, 1961	Income tax	Appellate authority up to commissioners' level	1.01	1.01	2009-10, 2010-11
		Income Tax Appellate Tribunal	0.71	0.71	2007-08, 2008-09
Sales Tax Laws	Sales tax	Appellate authority up to commissioners' level	1.43	0.49	1983-84, 2001-02, 2005-06, 2006-07, 2007-08, 2009-10, 2011-12
		Appellate Tribunal	2.54	0.83	1994-95, 2009-10

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

18. Provision for contingencies aggregating to Rs. 12.09 crores (2012-13 - 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.
19. Research and development expenses included under relevant heads in the statement of profit and loss Rs. 40.68 crores (2012-13- Rs. 0.95 crores).
20. 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	7	7	Hedging	Hedging	USD 3.30	USD 3.90	198.04	211.73
Currency swap	8	10	Hedging	Hedging	USD 4.38	USD 5.89	262.62	319.68
Currency swap	-	1	Hedging	Hedging	-	JPY 11.11	-	6.40
Options	2	1	Hedging	Hedging	USD 1.00	USD 0.50	59.91	27.15

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

Particulars	This year		Previous Year	
	Amount in foreign currency (in Crores)	Amount in Rs. Crores	Amount in foreign currency (in Crores)	Amount in Rs. Crores
Loans	USD 0.01	0.40	USD 0.01	0.36
Current Liabilities	USD 0.03	1.97	USD 0.36	19.80
	EUR 0.005	0.43	EUR 0.001	0.04
	JPY 0.50	0.29	JPY 0.02	0.01
Current Assets	USD 0.006	0.37	USD 0.003	0.18

## NOTES TO THE ACCOUNTS (Continued)

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

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

**a) Assets taken on lease:**

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

		Rs. Crores	
		This Year	Previous Year
(ii)	Total of minimum lease payments	6.53	0.69
	The total of minimum lease payments for a period :		
	- Not later than one year	2.60	0.68
	- Later than one year and not later than five years	3.93	0.01
	- Later than five years	-	-
(iii)	Lease payment recognised in the statement of profit and loss for the year*	22.14	20.29

\*Rs. 2.77 crores (2012-13 – Rs. 2.58 crores) is included in Employees benefits expense

**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	20.50	20.50	1.99	1.70	0.29	0.29
Plant and Machinery	0.37	0.37	0.17	0.13	0.03	0.03
Furniture and Fittings	1.22	1.22	0.95	0.85	0.10	0.13
Office equipments	0.06	0.05	0.04	0.04	-	0.01
	22.15	22.14	3.15	2.72	0.42	0.46

		Rs. Crores	
		This Year	Previous Year
(ii)	Future minimum lease rent receivables in respect of non-cancellable lease	11.76	12.25
	- Not later than one year	0.40	0.39
	- Later than one year and not later than five years	1.62	1.59
	- Later than five years	9.74	10.27

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

24. Notes 1 to 24 and the statement of additional information form an integral part of the financial statements.

# NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
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## Statement of Additional Information

### 1. Particulars of stocks and sales

Rs. Crores

Description	Stocks				Sales	
	Opening		Closing		2013-14	2012-13
	2013-14	2012-13	2013-14	2012-13		
Urea	-	-	-	-	626.13	525.06
PVC resins	6.70	0.56	17.22	6.70	410.85	285.81
Caustic soda	2.14	2.20	3.59	2.14	710.02	772.26
Chlorine	0.10	-	0.07	0.10	39.63	(12.42)
Compressed Hydrogen	-	-	-	-	21.46	22.66
Stable Bleaching Powder	0.01	0.01	0.01	0.01	10.87	11.42
Marketable Calcium carbide	0.35	1.21	0.90	0.35	126.68	160.40
D.A.P.	0.47	6.82	0.12	0.47	466.16	307.32
M.O.P.	2.20	8.60	-	2.20	160.19	83.03
Super Phosphate	-	0.41	0.99	-	515.97	459.35
Zinc Sulphate	0.93	1.09	1.61	0.93	38.67	33.78
Traded Urea	-	0.68	-	-	-	0.69
Cement	2.41	2.49	1.54	2.41	148.04	154.29
Yarn	0.72	0.38	1.18	0.72	40.72	22.92
Sugar	784.79	757.13	528.06	784.79	1357.38	1,193.21
Molasses	38.77	36.46	33.28	38.77	80.52	81.64
UPVC Windows	4.82	4.18	2.51	4.82	181.66	165.73
PVC Compounds	-	1.77	-	-	-	114.38
Power Sale	-	-	-	-	62.70	87.33
Petrol / Diesel	5.41	5.96	3.92	5.41	417.60	400.25
Other sales/stocks and adjustments	331.83	307.84	306.30	331.83	904.90	763.11
<b>Total</b>	<b>1181.65</b>	<b>1137.79</b>	<b>901.30</b>	<b>1181.65</b>	<b>6320.15</b>	<b>5632.22</b>

### 2. Particulars of raw materials consumed

Rs. Crores

Description	2013-14	2012-13
Liquidated natural gas	337.12	250.11
Lime and lime stone	44.05	41.37
Hard coke/SLV/Pearl/Nut coke/Met coke/Pet coke	67.73	55.52
Charcoal	0.53	9.11
Salt	62.03	55.81
Lime stone	12.73	11.62
Kapas, cotton, synthetic yarn etc.	30.10	15.83
Sugarcane	1026.14	1103.03
PVC Resin	-	7.24
Plasticizers	-	23.73
Other miscellaneous raw materials	205.63	344.50
<b>Total</b>	<b>1786.06</b>	<b>1917.87</b>

## NOTES TO THE ACCOUNTS (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

### 3. Particulars of goods purchased for resale

Description	Rs. Crores	
	2013-14	2012-13
D.A.P.	440.65	274.83
M.O.P.	147.97	74.04
Super Phosphate	497.87	441.55
Petrol / Diesel	407.92	391.94
Others	376.13	302.47
<b>Total</b>	<b>1870.54</b>	<b>1484.83</b>

### 4. Other Additional Information

Description	Rs. Crores	
	2013-14	2012-13
(a) Value of imports on CIF basis		
Raw materials	32.57	37.59
Components and spare parts	11.04	12.53
Capital goods	126.43	87.15
Others	610.41	600.57
(b) Expenditure in foreign currency on cash basis		
Travelling	2.22	1.33
Interest	32.29	27.03
Consultation fees	3.70	1.41
Others	6.55	0.82
(c) Earnings in foreign exchange on cash basis		
Direct export of goods on FOB basis/ as per contracts where FOB value not readily ascertainable	4.21	13.14
Others	3.01	0.65

	2013-14		2012-13	
	Rs. Crores	%	Rs. Crores	%
(d) Value of imported/indigenous raw materials, spare parts, components and stores consumed				
(i) Raw materials				
Imported	33.55	1.88	43.44	2.26
Indigenous	1752.51	98.12	1874.43	97.74
	<b>1786.06</b>	<b>100.00</b>	1917.87	100.00
(ii) Spare parts, components and stores				
Imported	13.23	6.43	20.81	9.26
Indigenous	192.64	93.57	203.84	90.74
	<b>205.87</b>	<b>100.00</b>	224.65	100.00

Signatures to Notes 1 to 24 and Statement of Additional Information.

New Delhi  
April 28, 2014

B.L. SACHDEVA  
Company Secretary

S.S. BAIJAL  
Director

AJAY S. SHRIRAM  
Chairman & Sr. Managing Director

# Consolidated Financial Statements

## Independent Auditors' Report

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

To the Board of Directors of DCM Shriram Limited  
(Formerly DCM Shriram Consolidated Limited)

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **DCM SHRIRAM LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) 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
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### Other Matter

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, Bioseeds Holdings PTE Limited, Bioseed Research Philippines Inc., Shriram Bioseed (Thailand) Limited, Shriram Bioseed Ventures Limited, Shriram Bioseeds Limited, Zeus Investments Limited, DCM Shriram Hydro Energy Limited, Fenesta India Limited, Shriram Vinyl PolyTech Private Limited (Formerly Shriram Vinyl PolyTech Limited), Hariyali India Limited, Hariyali Insurance Broking Limited, Shri Ganpati Fertilizers Limited, Bioseed Research USA Inc., PT. Shriram Seed Indonesia and PT. Shriram Genetics Indonesia whose financial statements reflect total assets (net) of Rs. 308.08 crores as at March 31, 2014, total revenues of Rs. 159.46 crores and net cash outflows amounting to Rs. 45.83 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

Jaideep Bhargava  
Partner  
(M. No.: 90295)

GURGAON,  
April 28, 2014



# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Notes	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	32.77	33.34
Reserves and surplus	2.2	1,653.87	1,462.05
		<b>1,686.64</b>	<b>1,495.39</b>
<b>Minority Interest</b>			
		<b>0.92</b>	-
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	588.25	663.54
Deferred tax liabilities (net)	2.4	135.24	155.13
Other long-term liabilities	2.5	35.46	33.08
Long-term provisions	2.6	130.31	118.69
		<b>889.26</b>	<b>970.44</b>
<b>Current liabilities</b>			
Short-term borrowings	2.7	430.93	720.41
Trade payables	2.8	1,310.91	1,068.26
Other current liabilities	2.9	482.98	451.00
Short-term provisions	2.10	50.69	45.66
		<b>2,275.51</b>	<b>2,285.33</b>
<b>Total</b>		<b>4,852.33</b>	<b>4,751.16</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	2.11		
Tangible assets		1,442.56	1,499.47
Intangible assets		70.08	65.37
Assets on lease		0.72	0.59
Capital work-in-progress		51.03	44.25
Intangible assets under development		-	0.17
		<b>1,564.39</b>	<b>1,609.85</b>
Non-current investments	2.12	5.88	5.88
Long-term loans and advances	2.13	145.87	133.62
Other non-current assets	2.14	13.23	8.76
		<b>1,729.37</b>	<b>1,758.11</b>
<b>Current assets</b>			
Current investments	2.15	196.92	1.27
Inventories	2.16	1,152.34	1,381.15
Trade receivables	2.17	1,041.39	1,033.57
Cash and Bank balances	2.18	295.92	135.62
Short-term loans and advances	2.19	183.26	170.23
Other current assets	2.20	253.13	271.21
		<b>3,122.96</b>	<b>2,993.05</b>
<b>Total</b>		<b>4,852.33</b>	<b>4,751.16</b>
<b>Significant accounting policies and Notes to consolidated accounts</b> 1 to 21			

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

Jaideep Bhargava  
Partner  
New Delhi  
April 28, 2014

B.L. SACHDEVA  
Company Secretary

S.S. BAIJAL  
Director

AJAY S. SHRIRAM  
Chairman & Sr. Managing Director

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED MARCH 31, 2014

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Notes	Year ended March 31, 2014 Rs. Crores	Year ended March 31, 2013 Rs. Crores
<b>Revenue from operations</b>			
Sale of Products		6,431.20	5,770.16
Less: Excise duty		272.17	253.26
		<b>6,159.03</b>	5,516.90
Other operating revenues	2.21	23.16	21.95
		<b>6,182.19</b>	5,538.85
Other income	2.22	49.78	34.02
<b>Total Revenue</b>		<b>6,231.97</b>	5,572.87
<b>Expenses</b>			
Cost of materials consumed		1,871.56	2,018.40
Purchases of Stock-in-Trade		1,848.36	1,451.72
Change in inventories of finished goods, Work-in-progress and Stock-in-Trade	2.23	270.61	(61.91)
Employee benefits expense	2.24	414.13	395.27
Finance costs	2.25	148.58	154.83
Depreciation and amortisation expense	2.11	137.89	146.79
Other expenses	2.26	1,268.40	1,195.32
<b>Total Expenses</b>		<b>5,959.53</b>	5,300.42
<b>Profit before exceptional item and tax</b>		<b>272.44</b>	272.45
Exceptional Items	19	-	(53.58)
<b>Profit before tax</b>		<b>272.44</b>	218.87
Provision for taxation	2.27		
-Current tax		49.95	12.97
-Deferred tax		(19.89)	3.01
<b>Profit after tax</b>		<b>242.38</b>	202.89
Earnings per equity share-basic/diluted (Rs.) (Refer note 8)			
-Before exceptional item		14.61	15.30
-After exceptional item		14.61	12.23
<b>Significant accounting policies and Notes to consolidated accounts</b>	1 to 21		

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

Jaideep Bhargava  
Partner  
New Delhi  
April 28, 2014

B.L. SACHDEVA  
Company Secretary

S.S. BAIJAL  
Director

AJAY S. SHRIRAM  
Chairman & Sr. Managing Director

# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED MARCH 31, 2014

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Year ended March 31, 2014 Rs. Crores	Year ended March 31, 2013 Rs. Crores
<b>A. Cash flow from operating activities</b>		
Net profit before tax and exceptional items	272.44	272.45
Adjustments for :		
Depreciation	137.89	146.79
Permanent diminution in value of Investment	-	3.28
(Profit)/ loss on sale/ write off of Fixed Assets	(9.91)	(3.26)
(Profit) on sale of non trade non-current investments	-	(0.44)
Exchange differences on conversion	11.30	0.54
Finance cost	148.58	154.83
Less: interest and dividend income	(34.09)	(25.04)
<b>Operating profit before working capital changes</b>	<b>526.21</b>	<b>549.15</b>
Adjustments for :		
Trade receivables	(7.82)	(314.38)
Long term loans and advances	0.53	(5.65)
Short term loans and advances	(15.08)	55.58
Other non current assets	3.02	(4.18)
Other current assets	(3.73)	(13.90)
Inventories	228.81	(45.57)
Trade payables	242.65	213.80
Long term provisions	11.62	9.35
Short term provisions	2.78	2.20
Other long term liabilities	2.10	3.77
Other current liabilities	49.44	(40.24)
<b>Cash generated from operations</b>	<b>1,040.53</b>	<b>409.93</b>
Income taxes refund/(paid)	(71.18)	(37.82)
<b>Net cash from operating activities before exceptional item</b>	<b>969.35</b>	<b>372.11</b>
Exceptional item	-	(53.58)
<b>Net cash from operating activities</b>	<b>969.35</b>	<b>318.53</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(95.13)	(77.50)
Sale of fixed assets	41.54	66.35
Fixed deposits and current account balances with banks (earmarked)	16.35	21.38
Purchase of non-trade current investments	(7,865.92)	(2,758.08)
Sale of non-trade current Investments	7,670.27	2,758.08
Sale of non-trade non current Investment	-	0.57
Interest received	22.90	28.34
Dividend received	9.51	0.87
<b>Net cash from / (used) in investing activities</b>	<b>(200.48)</b>	<b>40.01</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings	324.52	-
Proceeds from short term borrowings	4,282.81	4,303.59
Repayment of long term borrowings	(414.87)	(129.00)
Repayment of short term borrowings	(4,490.01)	(4,575.76)
Buy Back of Equity Shares	(24.21)	-
Proceeds from issue of equity shares by a subsidiary	0.92	-
Changes in working capital borrowings	(82.28)	139.87
Dividends paid	(26.54)	(19.91)
Corporate dividend tax paid	(4.52)	(2.14)
Finance cost paid	(150.56)	(159.26)
<b>Net Cash used in financing activities</b>	<b>(584.74)</b>	<b>(442.61)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>184.13</b>	<b>(84.07)</b>
Cash and cash equivalents as at opening		
Cash and cheques in hand and balances with banks	101.69	185.76
Cash and cash equivalents as at closing *		
Cash and cheques in hand and balances with banks	285.82	101.69
*excludes Rs. 5.78 crores (2012-13 - Rs.2.44 crores) held in dividend/margin money accounts and Rs. 4.32 crores (2012-13 - Rs. 31.49 crores) deposits with banks for specific purposes		

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

Jaideep Bhargava  
Partner  
New Delhi  
April 28, 2014

B.L. SACHDEVA  
Company Secretary

S.S. BAIJAL  
Director

AJAY S. SHRIRAM  
Chairman & Sr. Managing Director

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

## 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” notified under the Companies (Accounting Standard) Rules, 2006 which continues to be applicable in respect to section 133 of the Companies Act, 2013 and relevant presentational requirements of the Companies Act, 1956.

#### (ii) Principles of consolidation

a) The consolidated financial statements relate to DCM Shriram Limited (formerly 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, 2014	% voting power held as at March 31, 2013
<b>Subsidiary companies</b>			
DCM Shriram Credit and Investments Limited (DSCIL)	India	100	100
Bioseed India Limited	India	100	100
DCM Shriram Infrastructure Limited (100 % subsidiary of DSCIL)	India	100	100
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 Holdings PTE Limited (BHP) (100% subsidiary of BL)	Singapore	100	100
Bioseed Research Philippines Inc (100% subsidiary of BHP)	Philippines	100	100
Bioseed Vietnam Limited (100% subsidiary of BHP)	Vietnam	100	100
PT Shriram Seed Indonesia (95% subsidiary of BHP)	Indonesia	95	95
Shriram Bioseed (Thailand) Limited (99.99% subsidiary of BHP)	Thailand	99.99	99.99
Bioseed Research India Limited*	India	-	100
Shriram Bioseed Ventures Limited (SBVL)	India	100	100
Shriram Bioseeds Limited (SBL) (100% subsidiary of SBVL)	Mauritius	100	100
Bioseed Research USA Inc. (100% subsidiary of SBVL)	USA	100	100
Zeus Investments Limited (Under Liquidation) (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
Shriram Vinyl Polytech Private Limited (formerly Shriram Vinyl Polytech Limited)	India	100	100
Hariyali Insurance Broking Limited	India	100	100
Shri Ganpati Fertilizers Limited	India	81.41	81.41
PT. Shriram Genetics Indonesia@ (49% subsidiary of BHP)	Indonesia	100	-

\* (Refer Note 17)

@ Subsidiary from current year

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

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

	<b>Depreciation Rate</b>
- 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.

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

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 statement of profit and loss have been translated into Indian Rupees at monthly average exchange rate for the reporting period. The resultant translation exchange differences are accumulated in "Foreign currency translation reserve" to be recognised as income or expense in the period in which net investment in concerned foreign subsidiary is disposed off.

## (v) Inventories

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

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

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

By-products are valued at estimated net realisable value.

## (vi) Revenue recognition

- a) 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 statement of profit and loss. For the Provident Fund Trust administered by the Company, the Company is liable to meet the shortfall, if any, in payment of interest at the rates declared by the Central Government and such liability is recognised in the year of shortfall.

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

## (ix) Research and development

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

## (x) Income-tax

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

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

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
<b>2.1 SHARE CAPITAL</b>		
<b>Authorised</b>		
29,49,50,000 (2012-13 - 28,49,50,000) Equity shares of Rs.2 each with voting rights	58.99	56.99
65,01,000 (2012-13 - 65,01,000) Cumulative redeemable preference shares of Rs.100 each	65.01	65.01
	<b>124.00</b>	122.00
<b>Issued</b>		
16,98,03,320 (2012-13 - 16,98,03,320) Equity shares of Rs.2 each with voting rights	33.96	33.96
<b>Subscribed and fully paid up</b>		
16,32,06,411 (2012-13 - 16,59,03,320) Equity shares of Rs. 2 each with voting rights fully called - up	32.64	33.18
Less:- 138,562 (2012-13 - Nil) Equity shares of Rs. 2 each bought back*	(0.03)	-
	<b>32.61</b>	33.18
Add :- Forfeited shares - Amount originally paid up	<b>0.16</b>	0.16
	<b>32.77</b>	33.34

## NOTES:

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

Subscribed and fully paid up Equity Shares:

As at April 1, 2012

As at March 31, 2013

Less: Equity shares buy back\*

As at March 31, 2014

	No. of shares	Value (Rs. Crores)
As at April 1, 2012	165,903,320	33.18
As at March 31, 2013	165,903,320	33.18
Less: Equity shares buy back*	2,696,909	0.54
As at March 31, 2014	<b>163,206,411</b>	32.64

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

	As at 31.03.2014		As at 31.03.2013	
	No. of shares	%	No. of shares	%
(ii) Shares held by the holding company: Sumant Investments Private Limited	98,282,284	60.22%	97,868,812	58.99%
(iii) The shareholders holding more than 5% equity shares are as under: Sumant Investments Private Limited	98,282,284	60.22%	97,868,812	58.99%
Life Insurance Corporation of India	12,863,749	7.88%	12,863,749	7.75%

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
<b>2.2 RESERVES AND SURPLUS</b>		
<b>Capital reserve</b>	<b>22.61</b>	22.61
<b>Capital redemption reserve</b>		
Opening Balance	8.41	8.41
Add: Transferred from share premium on account of buyback of equity shares	0.57	-
	<b>8.98</b>	8.41
<b>Securities premium account</b>		
Opening Balance	65.07	65.07
Less: Utilisation for buy back of equity shares	(23.64)	-
Less: Transferred to capital redemption reserve on buy back of equity shares	(0.57)	-
	<b>40.86</b>	65.07
<b>General reserve</b>		
Opening Balance	755.44	680.41
Add: Movement related to employees stock purchase scheme	0.11	0.03
Add: Transferred from statement of profit and loss	75.00	75.00
	<b>830.55</b>	755.44
<b>Storage fund for molasses account</b>		
Opening Balance	0.90	0.77
Add: Transferred from statement of profit and loss	0.13	0.13
	<b>1.03</b>	0.90
<b>Statutory reserve *</b>	<b>0.77</b>	0.77
<b>Foreign currency translation reserve</b>		
Opening Balance	16.06	8.94
Add: Adjustments during the year	11.30	7.12
	<b>27.36</b>	16.06
<b>Balance in Statement of Profit and loss</b>		
Opening Balance	592.79	494.89
Add: Profit during the year	242.38	202.89
Amount available for appropriation	<b>835.17</b>	697.78
<b>Appropriations:</b>		
Interim dividend on equity shares	13.27	13.27
Proposed final dividend on equity shares	19.49	13.27
Corporate dividend tax	5.57	3.32
Transfer to general reserve	75.00	75.00
Storage fund for molasses account	0.13	0.13
	<b>721.71</b>	592.79
	<b>1,653.87</b>	1,462.05

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



# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
<b>NON CURRENT LIABILITIES</b>		
<b>2.3 LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
Term loans		
From banks [Refer note 13(b)]	304.56	332.06
From others [Refer note 13(c)]	258.53	317.28
	<b>563.09</b>	<b>649.34</b>
<b>Unsecured</b>		
Deposits		
Fixed	8.88	7.06
Others	15.57	6.52
Finance lease liability [Refer note 7]	0.71	0.62
	<b>25.16</b>	<b>14.20</b>
	<b>588.25</b>	<b>663.54</b>
<b>2.4 DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred tax liabilities</b>		
Depreciation	214.24	219.82
	<b>214.24</b>	<b>219.82</b>
<b>Deferred tax assets</b>		
Provision for gratuity and compensated absences	47.84	42.94
Provision for doubtful debts and advances	6.32	7.28
Others	24.84	14.47
	<b>79.00</b>	<b>64.69</b>
	<b>135.24</b>	<b>155.13</b>
<b>2.5 OTHER LONG-TERM LIABILITIES</b>		
Interest accrued but not due on loans and deposits	8.41	8.13
Security deposits	27.04	24.61
Others	0.01	0.34
	<b>35.46</b>	<b>33.08</b>
<b>2.6 LONG-TERM PROVISIONS</b>		
Provision for employee benefits		
Gratuity	69.69	63.96
Compensated absences	48.53	42.64
Provision for contingencies [Refer note 5]	12.09	12.09
	<b>130.31</b>	<b>118.69</b>
	<b>889.26</b>	<b>970.44</b>

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
<b>CURRENT LIABILITIES</b>		
<b>2.7 SHORT-TERM BORROWINGS</b>		
<b>Secured*</b>		
Loans repayable on demand from banks	112.37	194.65
Other loans and advances from banks	227.09	309.02
	<b>339.46</b>	<b>503.67</b>
<b>Unsecured</b>		
Loans repayable on demand		
From banks	88.67	214.74
From other	2.80	2.00
	<b>91.47</b>	<b>216.74</b>
	<b>430.93</b>	<b>720.41</b>
<b>2.8 TRADE PAYABLES</b>		
Total outstanding dues of micro and small enterprise	1.41	2.89
Total outstanding dues of other than micro and small enterprise	1,309.50	1,065.37
	<b>1,310.91</b>	<b>1,068.26</b>
<b>2.9 OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt (Secured)		
From banks [Refer note 13 (b)]	66.90	81.48
From others [Refer note 13 (c)]	85.45	75.50
Current maturities of long-term debt (Unsecured)		
From others [Refer note 14]	5.48	15.90
Current maturities of finance lease obligations [Refer note 7]	0.29	0.30
Interest accrued but not due on borrowings	6.47	8.73
Advances received from customers	194.11	161.87
Unpaid dividends	2.09	1.82
Unpaid matured deposits and interest accrued thereon	0.13	0.08
Unpaid matured debentures and interest accrued thereon	0.21	0.21
Statutory levies	94.62	78.38
Others liabilities	27.23	26.73
	<b>482.98</b>	<b>451.00</b>
<b>2.10 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits		
Gratuity	14.06	11.42
Compensated absences	8.46	8.32
Contingent provision for standard assets	0.01	0.01
Provision for tax (net of tax paid)	5.36	10.38
Proposed dividend	19.49	13.27
Corporate dividend tax	3.31	2.26
	<b>50.69</b>	<b>45.66</b>
	<b>2,275.51</b>	<b>2,285.33</b>

\* Refer note 13(a)

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
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Consolidated Limited)

## NON-CURRENT ASSETS

### 2.11 FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at March 31, 2013	Additions	Deductions / adjustments	As at March 31, 2014	Up to March 31, 2013	For the year	On deductions / adjustments	Up to March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>Tangibles</b>										
Land - Freehold	67.29	9.95	0.13	77.11 *	-	-	-	-	77.11	67.29
- Leasehold	17.61	-	-	17.61	-	-	-	-	17.61	17.61
Buildings	258.16	6.47	1.36	263.27	54.83	6.79	0.10	61.52	201.75	203.33
Leasehold improvements	3.48	1.65	1.86	3.27	1.92	0.54	1.30	1.16	2.11	1.56
Plant and equipment	2,290.60	52.75	6.84	2,336.51	1,112.73	119.30	4.31	1,227.72	1,108.79	1,177.87
Furniture and Fixtures	17.19	1.42	0.90	17.71	12.57	1.07	0.48	13.16	4.55	4.62
Office equipment	24.29	3.82	1.93	26.18	17.07	2.37	1.34	18.10	8.08	7.22
Vehicles	39.97	10.48	6.83	43.62	20.00	5.87	4.81	21.06	22.56	19.97
<b>Sub total (This year)</b>	<b>2,718.59</b>	<b>86.54</b>	<b>19.85</b>	<b>2,785.28</b>	<b>1,219.12</b>	<b>135.94</b>	<b>12.34</b>	<b>1,342.72</b>	<b>1,442.56</b>	
Previous year	3,004.81	82.72	368.94	2,718.59	1,161.38	143.75	86.01	1,219.12		1,499.47
<b>Intangibles</b>										
Goodwill	69.30	6.12	0.59	74.83	9.15	-	-	9.15	65.68	60.15
Technical Know how	8.71	-	-	8.71	6.68	0.80	-	7.48	1.23	2.03
Computer Software	7.80	0.94	0.03	8.71	4.61	0.93	-	5.54	3.17	3.19
<b>Sub total (This year)</b>	<b>85.81</b>	<b>7.06</b>	<b>0.62</b>	<b>92.25</b>	<b>20.44</b>	<b>1.73</b>	<b>-</b>	<b>22.17</b>	<b>70.08</b>	
Previous year	111.97	5.11	31.27	85.81	45.03	2.88	27.47	20.44		65.37
<b>Asset on Lease</b>										
Motor Vehicles	1.61	0.40	0.14	1.87 @	1.02	0.26	0.13	1.15	0.72	0.59
<b>Sub total (This year)</b>	<b>1.61</b>	<b>0.40</b>	<b>0.14</b>	<b>1.87</b>	<b>1.02</b>	<b>0.26</b>	<b>0.13</b>	<b>1.15</b>	<b>0.72</b>	
Previous year	1.48	0.23	0.10	1.61	0.80	0.23	0.01	1.02		0.59
<b>Total This year</b>	<b>2,806.01</b>	<b>94.00</b>	<b>20.61</b>	<b>2,879.40</b>	<b>1,240.58</b>	<b>137.93</b> #	<b>12.47</b>	<b>1,366.04</b>	<b>1,513.36</b>	
Total Previous year	3,118.26	88.06	400.31	2,806.01	1,207.21	146.86	113.49	1,240.58		1,565.43
Capital work in progress (Refer note 10)									51.03	44.25
Intangible assets under development									-	0.17
									<b>1,564.39</b>	<b>1,609.85</b>

\*Includes Rs.0.27 crores (2012-13 - Rs. 0.27 crores) pertaining to land situated at Hardoi pending registration in favour of the Company.

#Includes Rs. 0.04 crore (2012-13 - Rs. 0.07 crore) included in addition to capital work in progress

@ Refer note 7

	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
<b>2.12 NON-CURRENT INVESTMENTS</b>		
(Valued at cost unless there is permanent fall in value thereof)		
<b>(a) TRADE INVESTMENTS</b>		
<b>(i) Investment in Equity Instruments</b>		
<b>Unquoted</b>		
11,32,134 (2012-13 - 11,32,134) Equity shares of Rs.10 each fully paid up of Narmada Clean Tech Ltd	1.13	1.13
Nil (2012-13 - Nil) Equity shares of Rs. 10 each fully paid up of Forum I Aviation Private Limited.	-	4.55
Less : Provision for diminution in value of investment	-	(3.28)
	-	1.27
Less : Transferred to current investment during 2012 - 13	-	(1.27)
	<b>1.13</b>	<b>1.13</b>

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
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	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
<b>(b) NON-TRADE INVESTMENTS</b>		
<b>(i) Investment in Equity Instruments</b>		
<b>Subsidiaries</b>		
<b>Unquoted</b>		
10,000 (2012-13 - 10,000) Equity shares of DCM Shriram Foundation (formerly Hariyali Rural Foundation) of Rs. 10/- each fully paid up	0.01	0.01
50,000 (2012-13 - 50,000) Equity shares of Shridhar Shriram Foundation Rs. 10/- each fully paid up	0.05	0.05
	0.06	0.06
<b>Others</b>		
<b>Quoted</b>		
1,40,000 (2012-13 - 140,000 ) Equity shares of IFCI Limited of Rs.10/- each fully paid up	0.06	0.06
5,400 (2012-13 - 5,400) Master Gains 92 of Unit Trust of India of Rs. 10/- each fully paid up (@ Rs.47,000)	@	@
59,359 (2012-13 - 59,359) Equity shares of Bank of Baroda of Rs. 10/- each fully paid up	1.37	1.37
20,108 (2012-13 - 20,108) Equity shares of Gujarat State Petronet Limited of Rs. 10/- each fully paid up.	0.05	0.05
3,430 (2012-13 - 3,430) Equity shares of Punjab National Bank of Rs.10/- each fully paid up	0.13	0.13
17,870 (2012-13 - 17,870) Equity shares of Yes Bank Ltd of Rs 10/- each fully paid up	0.08	0.08
6,53,592 (2012-13 - 6,53,592) Equity shares of Nicco Corporation Ltd of Rs. 2/-each fully paid up	0.40	0.40
	2.09	2.09
<b>Unquoted</b>		
49,950( 2012-13 - 49,950) Equity shares of Pacific Land Development Private Limited of Rs.10/- each fully paid up	0.05	0.05
5,00,000 ( 2012-13- 5,00,000) Equity shares of Forech India Ltd. of Rs. 10/- each, Rs. 4 paid up	1.75	1.75
3,00,000 ( 2012-13 - 3,00,000) Equity shares of E Commodities Limited of Rs.10/- each fully paid up	0.30	0.30
2,00,000 (2012-13 - 2,00,000) Equity shares of Ellenbarie Commercial Limited of Rs.10/- each fully paid up	1.50	1.50
Less : Provision for diminution in value of investment	(1.08)	(1.08)
40,000 (2012-13 - 40,000) Equity shares of BMD Estate Private Limited of Rs.10/- each fully paid up	0.75	0.75
Less : Provision for diminution in value of investment	(0.75)	(0.75)
	2.52	2.52
<b>(ii) Investment in Government securities</b>		
<b>Unquoted</b>		
National savings certificates	0.08	0.08
<b>TOTAL</b>	5.88	5.88
Aggregate book value - Quoted	2.09	2.09
- Unquoted	3.79	3.79
Aggregate provision for diminution in value of investments	1.83	1.83
Aggregate market value - Quoted	5.87	5.57

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
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	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
<b>2.13 LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured considered good unless otherwise stated)		
Capital advances	5.10	10.58
Security deposit	36.08	36.65
Employee loans and advances	9.61	8.96
MAT credit entitlement	87.93	70.51
Tax payments (net of provision)	1.69	0.85
Others loans and advances	5.46	6.07
	<b>145.87</b>	<b>133.62</b>
<b>2.14 OTHER NON-CURRENT ASSETS</b>		
Long-term trade receivables		
Unsecured considered good	3.80	6.82
Fixed Deposits with banks*	9.38	1.90
Interest accrued on investments, deposits etc.	0.05	0.04
	<b>13.23</b>	<b>8.76</b>
* includes Rs 9.38 crores (2012-13 - Rs. 1.76 crores) earmarked for specific purpose.		
<b>CURRENT ASSETS</b>		
<b>2.15 CURRENT INVESTMENTS</b>		
<b>Investment in equity instruments - unquoted</b>		
Nil (2012-13 - 45,50,000) Equity shares of Rs. 10 each fully paid up of Forum I Aviation Private Limited, 45,50,000 equity share sold during 2012-13	-	1.27
<b>Investment in mutual funds - unquoted</b>		
485,842 (2012-13 - Nil) Units of Rs. 1001.52 each of Tata Money Market Fund Plan A- Daily Dividend	48.66	-
847,960 (2012-13 - Nil) Units of Rs. 1001.52 each of Tata Money Market Fund Direct Plan- Daily Dividend	84.92	-
4,09,366 (2012-13 - Nil) Units of Rs. 1528.74 each of Reliance Liquid fund Treasury Plan - Daily Dividend Reinvestment option	62.58	-
7,598 (2012-13 - Nil) Units of Rs. 1000.51 each of Reliance Liquidity fund Direct Plan- Daily Dividend Reinvestment option	0.76	-
	<b>196.92</b>	<b>1.27</b>
<b>2.16 INVENTORIES</b>		
Raw materials	25.78	31.81
Work-in-progress	51.14	49.17
Finished goods *	867.89	1,151.47
Stock-in-trade	53.79	40.99
Stores and spares	153.74	107.70
Securities	-	0.01
	<b>1,152.34</b>	<b>1,381.15</b>
<b>2.17 TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from due date for payment		
Secured - considered good	0.05	0.08
Unsecured - considered good	199.58	192.93
Unsecured - considered doubtful	19.89	15.85
	<b>219.52</b>	<b>208.86</b>
Less: Provision for doubtful receivables	19.89	15.85
	<b>199.63</b>	<b>193.01</b>
Others		
Secured - considered good	0.75	1.66
Unsecured - considered good	841.01	838.90
	<b>1,041.39</b>	<b>1,033.57</b>

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
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	As at March 31, 2014 Rs. Crores	As at March 31, 2013 Rs. Crores
<b>2.18 CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Balances with banks on		
-current accounts \$	189.00	98.46
-deposit accounts #	2.97	29.10
Cheques on hand	0.34	1.86
Cash on hand	2.26	2.62
<b>Other bank balances</b>		
-deposit accounts #	101.35	3.58
	<b>295.92</b>	<b>135.62</b>
<b>2.19 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured Considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	159.84	144.77
Considered doubtful	2.77	3.97
	<b>162.61</b>	<b>148.74</b>
Less: Provision for doubtful advances	2.77	3.97
	<b>159.84</b>	<b>144.77</b>
Employee loans and advances	5.59	5.31
Deposits	5.96	5.22
Balances with customs, excise etc.	11.53	12.54
Tax payments (net of provision of current tax)	0.34	2.39
	<b>183.26</b>	<b>170.23</b>
<b>2.20 OTHER CURRENT ASSETS</b>		
(Unsecured Considered good unless otherwise stated)		
Other receivables		
Considered good	36.31	31.86
Considered doubtful	-	1.60
	<b>36.31</b>	<b>33.46</b>
Less: Provision for doubtful claims	-	1.60
	<b>36.31</b>	<b>31.86</b>
Unbilled revenue	12.07	12.79
Interest accrued on investments, deposits etc.	1.76	0.09
Fixed assets held for sale	202.99	226.47
	<b>253.13</b>	<b>271.21</b>
	<b>3,122.96</b>	<b>2,993.05</b>

\* Includes goods-in-transit Rs. NIL (2012-13 - Rs. 0.04 crores)

\$ Includes Rs. 5.78 crores (2012-13 - Rs. 2.44 crores) earmarked for unpaid dividends, debentures interest etc.

# Includes Rs. 4.32 crores (2012-13 - Rs. 31.49 crores) earmarked for specific purposes

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
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	Year ended March 31, 2014 Rs. Crores	Year ended March 31, 2013 Rs. Crores
<b>2.21 OTHER OPERATING REVENUES</b>		
Rent	0.60	0.53
Liabilities / provisions no longer required written back	7.45	3.18
Income from services	-	0.65
Interest income	0.32	0.32
Scrap sales and other miscellaneous income	14.79	17.27
	<b>23.16</b>	<b>21.95</b>
<b>2.22 OTHER INCOME</b>		
Interest income	24.58	24.17
Dividend income on non-trade non-current investments	0.23	0.14
Dividend income on non-trade current investments	9.28	0.73
Profit on sale of non-trade non-current investment	-	0.44
Profit on sale of Fixed assets (net)	9.91	3.26
Rent	4.71	4.20
Miscellaneous income	1.07	1.08
	<b>49.78</b>	<b>34.02</b>
<b>2.23 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESSS AND STOCK-IN-TRADE</b>		
Closing stock	972.82	1,241.64
Less: Translation difference transferred to Foreign Currency Translation Reserve	3.31	1.52
Adjusted closing stock	969.51	1,240.12
Opening stock	1,240.12	1,186.52
Change in inventories	270.61	(53.60)
Less: Loss on inventory of finished goods on restructuring and rationalization of Hariyali Kisaan Bazaar's operation included in exceptional item	-	8.31
	<b>270.61</b>	<b>(61.91)</b>
<b>2.24 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, wages, bonus, gratuity, commission, etc.	367.98	352.78
Expense on Employee stock purchase scheme*	1.84	1.33
Provident and other funds	24.49	22.87
Welfare	19.82	18.29
	<b>414.13</b>	<b>395.27</b>
* Refer note 18		
<b>2.25 FINANCE COSTS</b>		
Interest expense	77.57	104.40
Other borrowing costs	2.16	4.43
Net loss on foreign currency transactions and translation	68.85	46.00
	<b>148.58</b>	<b>154.83</b>

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
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Consolidated Limited)

	Year ended March 31, 2014 Rs. Crores	Year ended March 31, 2013 Rs. Crores
<b>2.26 OTHER EXPENSES</b>		
Consumption of stores and spare parts	231.45	233.09
Power, fuel etc	611.46	569.36
Rent	21.53	20.96
Repairs		
Buildings	10.68	6.85
Plant and machinery	31.33	31.58
Donation	2.51	0.16
Insurance	9.13	9.10
Rates and taxes	4.08	4.42
Auditors' remuneration		
Audit fee	1.14	0.98
Tax audit	0.09	0.09
Limited reviews	0.40	0.35
Other certification services *	0.78	0.67
Out-of-pocket expenses	0.03	0.04
Directors' fees	0.12	0.10
Bad debts and advances written off	5.74	3.73
Less: adjusted against provision for doubtful debts and advances	(4.41)	(2.43)
Permanent diminution in value of non current investments	-	3.28
Provision for doubtful debts and advances	8.01	5.80
Freight and transport	60.61	54.99
Commission to selling agents	6.49	6.71
Brokerage, discounts (other than trade discounts), etc.	3.08	2.39
Selling expenses	82.12	78.27
Royalty	59.98	35.13
Increase/(decrease) in excise duty on finished goods	(10.99)	(1.16)
Exchange fluctuation	5.74	9.10
Miscellaneous expenses	127.34	121.84
	<b>1,268.44</b>	1,195.40
Less:- Cost of own manufactured goods capitalised	(0.04)	(0.08)
	<b>1,268.40</b>	1,195.32

\* Includes service tax

## 2.27 PROVISION FOR TAX

Current tax	67.37	47.89
Less:- MAT credit entitlement	(17.42)	(34.92)
Deferred Tax	(19.89)	3.01
	<b>30.06</b>	15.98



# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
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	This Year Rs. Crores	Previous Year Rs. Crores
<b>3. (i) Contingent liabilities not provided for:</b>		
Claims* (excluding claims by employees where amount not ascertainable) not acknowledged as debts:		
Sales tax matters	1.33	1.33
Excise matters	2.12	2.12
Additional premium on land	8.11	8.11
Others	6.23	6.23
<b>Total</b>	<b>17.79</b>	<b>17.79</b>
* 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)	20.40	5.74
(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	0.04	0.10
(iv) Guarantees given for dealers in respect of short term financing arrangement	-	7.81
Amount of loans outstanding	-	7.81

4. In accordance with past practice, the Company has taken revenue credits aggregating Rs 18.25 Crores (2012-13 - NIL) for urea subsidy claims, which are pending notification/ final acceptance by 'Fertiliser Industry Coordination Committee' (FICC), Government of India, in pursuance of the Retention Price Scheme administered for nitrogenous fertilisers. Necessary adjustment to revenue credits so accrued will be made on issuance of notification by FICC, Government of India.

5. Provision for contingencies aggregating to Rs. 12.09 crores (2012-13 - Rs. 12.09 crores) in Note 2.6 represents the maximum possible exposure on ultimate settlement of issues relating to reconstruction arrangement of the companies.

## 6. Segment reporting

### A. Business segments :

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting" 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), Shriram Farm Solution (trading of di ammonia phosphate, muriate of potash, super phosphate, other fertilisers, seeds and pesticides), Cement (manufacturing of cement), Sugar (manufacturing of sugar products and co-generation of Power), Hariyali Kisaan Bazaar (Rural retail and agri businesses), Bioseed (production of hybrid seeds), Others (textiles, 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.

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
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## d) Information about business segments

PARTICULARS	Rs. Crores																			
	Fertiliser		Shriram Farm Solutions		Bioseed		Sugar		Hariyali Kisaan Bazaar		Chloro-Vinyl		Cement		Others		Elimination		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
<b>1. REVENUE</b>																				
External sales (Gross)	626.13	525.06	1778.83	1291.44	235.55	318.97	1554.06	1391.87	427.51	510.08	1331.17	1257.50	148.61	154.76	329.34	320.48			6431.20	5770.16
Other Operating Income	1.53	2.92	0.25	0.78	2.78	3.38	6.45	5.82	1.58	3.10	7.62	3.80	1.23	0.64	1.72	1.51			23.16	21.95
Inter segment sales	-	-	0.55	10.47	219.41	118.29	-	-	-	2.38	41.30	48.02	0.25	0.12	0.06	0.30	261.57	179.58		
<b>Total revenue</b>	<b>627.66</b>	<b>527.98</b>	<b>1779.63</b>	<b>1302.69</b>	<b>457.74</b>	<b>440.64</b>	<b>1560.51</b>	<b>1397.69</b>	<b>429.09</b>	<b>515.56</b>	<b>1380.09</b>	<b>1309.32</b>	<b>150.09</b>	<b>155.52</b>	<b>331.12</b>	<b>322.29</b>	<b>261.57</b>	<b>179.58</b>	<b>6,454.36</b>	<b>5,792.11</b>
<b>2. RESULTS</b>																				
Segment results	23.18	11.06	81.00	50.82	4.19	51.57	(5.36)	64.52	8.25	(34.78)	374.26	344.14	(0.33)	17.32	(9.17)	(32.83)			476.02	471.82
Unallocated expenses (net of income)																			55.00	44.54
<b>Operating profit/(loss)</b>	<b>23.18</b>	<b>11.06</b>	<b>81.00</b>	<b>50.82</b>	<b>4.19</b>	<b>51.57</b>	<b>(5.36)</b>	<b>64.52</b>	<b>8.25</b>	<b>(34.78)</b>	<b>374.26</b>	<b>344.14</b>	<b>(0.33)</b>	<b>17.32</b>	<b>(9.17)</b>	<b>(32.83)</b>			<b>421.02</b>	<b>427.28</b>
Interest expense and finance cost																			148.58	154.83
<b>Profit before tax and exceptional item</b>																			<b>272.44</b>	<b>272.45</b>
Exceptional item																			-	53.58
<b>Profit before tax</b>																			<b>272.44</b>	<b>218.87</b>
Provision for taxation																			30.06	15.98
<b>Net profit</b>																			<b>242.38</b>	<b>202.89</b>
<b>3. OTHER INFORMATION</b>																				
<b>A. ASSETS</b>																				
Segment assets	478.99	340.36	611.10	624.09	588.90	679.05	1262.41	1590.09	213.62	239.88	745.85	735.30	46.93	50.34	251.40	263.34			4199.20	4,522.45
Unallocated assets																			653.13	228.71
<b>Total assets</b>	<b>478.99</b>	<b>340.36</b>	<b>611.10</b>	<b>624.09</b>	<b>588.90</b>	<b>679.05</b>	<b>1262.41</b>	<b>1590.09</b>	<b>213.62</b>	<b>239.88</b>	<b>745.85</b>	<b>735.30</b>	<b>46.93</b>	<b>50.34</b>	<b>251.40</b>	<b>263.34</b>			<b>4,852.33</b>	<b>4,751.16</b>
<b>B. LIABILITIES</b>																				
Segment liabilities	89.18	88.29	424.74	233.86	218.90	276.79	712.12	564.96	13.46	11.19	179.95	181.66	32.50	25.17	72.05	73.77			1742.90	1,455.69
Share capital and reserves																			1,686.64	1,495.39
Secured and unsecured loans																			1,177.64	1,557.17
Unallocated liabilities																			245.15	242.91
<b>Total liabilities</b>	<b>89.18</b>	<b>88.29</b>	<b>424.74</b>	<b>233.86</b>	<b>218.90</b>	<b>276.79</b>	<b>712.12</b>	<b>564.96</b>	<b>13.46</b>	<b>11.19</b>	<b>179.95</b>	<b>181.66</b>	<b>32.50</b>	<b>25.17</b>	<b>72.05</b>	<b>73.77</b>			<b>4,852.33</b>	<b>4,751.16</b>
<b>C. OTHERS</b>																				
Capital expenditure	8.96	5.62	-	-	10.60	15.65	12.60	13.33	0.56	-	39.00	11.42	2.49	3.88	5.86	6.06				
Depreciation	10.98	10.84	0.36	0.35	3.69	3.06	46.01	45.63	0.17	5.22	62.08	65.61	2.49	2.33	9.46	11.39				
Non cash expenses other than depreciation	0.02	1.38	-	1.44	3.89	1.21	-	0.20	0.16	23.53	0.40	1.23	-	0.14	4.87	5.25				

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

### (i) General description of the finance lease:

Bioseed Research Philippines Inc (BRP) has entered into finance lease arrangement for vehicles. Some of the significant terms and conditions of such leases are as under:

- renewal for a further period on such terms and conditions as may be mutually agreed upon between lessor and BRP.
- assets to be purchased by BRP or the nominee appointed by BRP at the end of the lease term.

### (ii) Reconciliation between the total of minimum lease payments at the balance sheet date and their present value:

	Rs. Crores					
	Total		Not later than one year		Later than one year but not later than five years	
	This year	Previous year	This year	Previous year	This year	Previous year
Total of minimum lease payments at the balance sheet date	1.20	1.10	0.38	0.37	0.82	0.73
Less: Future finance charges	0.20	0.18	0.09	0.07	0.11	0.11
Present value of minimum lease payments at the balance sheet date	1.00	0.92	0.29	0.30	0.71	0.62

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(iii) General description of the operating lease

## - Assets Taken on Lease

(a) The Company has entered into lease agreements for lease of offices, 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. Crores	
	This year	Previous year
(b) Total of minimum lease payments	6.55	0.69
The total of minimum lease payments for a period:		
- Not later than one year	2.62	0.68
- Later than one year and not later than five years	3.93	0.01
- Later than five years	-	-
(c) Lease payment recognised in statement of profit and loss for the year*	24.30	23.54

\* Rs. 2.77 crores (2012-13 Rs. 2.58 crores) included in employee benefits expenses

## - Assets given on lease:-

(a) 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	20.50	34.59	1.99	3.59	0.29	0.91
Plant and Machinery	0.37	0.37	0.17	0.13	0.03	0.03
Furniture and Fittings	1.22	1.22	0.95	0.85	0.10	0.13
Office equipments	0.06	0.05	0.04	0.04	-	0.01
	22.15	36.23	3.15	4.61	0.42	1.08

	Rs. Crores	
	This year	Previous year
(b) Future minimum lease payments receivables in respect of non-cancellable lease	11.76	12.25
- Not later than one year	0.40	0.39
- Later than one year and not later than five years	1.62	1.59
- Later than five years	9.74	10.27

## 8. Earnings per share

	This year	Previous year
Net Profit after tax and exceptional item (Rs. Crores)	242.38	202.89
Exceptional item, net of taxes (Rs. Crores)	-	(50.90)
Net Profit after tax but before exceptional item (Rs. Crores)	242.38	253.79
Weighted average number of equity shares outstanding	165,852,548	165,903,320
Basic and diluted earnings per share in rupees (face value – Rs.2 per share)		
- Before exceptional item	14.61	15.30
- After exceptional item	14.61	12.23

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

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

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), Mrs. Anuradha Bishnoi (relative of Mr. Ajay S. Shriram), M/s. Ajay S. Shriram (HUF), M/s. Vikram S. Shriram (HUF) & M/s. Ajit S. Shriram (HUF)

\* (Upto 31.10.2013)

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

Nature of transactions	Name	Rs. Crores	
		This Year	Previous Year
<b>Rent Paid</b>	M/s Ajay S. Shriram (HUF)	1.47	1.40
	M/s Vikram S. Shriram (HUF)	1.29	1.18
	M/s Ajit S. Shriram (HUF)	1.31	1.23
	Mr. Rajiv Sinha	0.42	0.45
	Relatives of Key management personnel	0.61	0.66
		5.10	4.92
<b>Security deposits received back</b>	Mr. Rajiv Sinha	0.21	0.04
	Relatives of Key management personnel	0.27	0.03
		0.48	0.07
<b>Loans and advances received back</b>	Mr. Rajiv Sinha	-	0.14
	Relatives of Key management personnel	-	0.14
		-	0.28
<b>Remuneration</b>	Mr. Ajay S. Shriram	3.78	2.86
	Mr. Vikram S. Shriram	3.64	2.64
	Mr. Rajiv Sinha	2.83	2.48
	Mr. Ajit S. Shriram	3.05	2.13
	Mr. N.J. Singh	0.58	0.60
	Relatives of Key management personnel	0.16	0.27
		14.04	10.98
Balance outstanding as at the year end			
- Security deposits for premises hired		8.34	8.73
- Commission Payable		4.33	2.90

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

Particulars	Rs. Crores	
	This Year	Previous Year
Salaries, wages, bonus, gratuity, commission etc.	-	0.42
Provident and other funds	-	0.10
Welfare	-	0.02
Depreciation	0.04	0.10
Miscellaneous expenses	0.38	0.63
	0.42	1.27
Add: Brought forward from the previous year	7.82	7.62
Less: Capitalised during the year	-	-
Less: Charged to statement of profit and loss	-	1.07
<b>Transferred to capital work-in-progress</b>	<b>8.24</b>	<b>7.82</b>

## 11. Research and development expenses included under relevant heads in the statement of profit and loss Rs.41.47 crores ( 2012-13 - Rs. 37.09 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	7	7	Hedging	Hedging	USD 3.30	USD 3.90	198.04	211.73
Currency swap	8	10	Hedging	Hedging	USD 4.38	USD 5.89	262.62	319.68
Currency swap	-	1	Hedging	Hedging	-	JPY 11.11	-	6.40
Options	2	1	Hedging	Hedging	USD 1.00	USD 0.50	59.91	27.15

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

Particulars	This year		Previous Year	
	Amount in foreign currency (in Crores)	Amount in Rs. Crores	Amount in foreign currency (in Crores)	Amount in Rs. Crores
Loans	USD 0.01	0.40	USD 0.01	0.36
Current liabilities	USD 0.03	1.97	USD 0.36	19.80
	EUR 0.005	0.43	EUR 0.001	0.04
	JPY 0.50	0.29	JPY 0.02	0.01
Current Assets	USD 0.006	0.37	USD 0.003	0.18

## 13. Secured loan

<b>a. Short term working capital borrowings from banks:</b>	
<b>(i) Company</b>	
1. Loans from banks on cash credit account of Rs. 98.80 Crores (2012-13 - Rs. 179.45 Crores) are secured by first pari passu charge on whole of the current assets, both present and future, of the Company (except Shriram Bioseed Genetics, Hyderabad and Bioseed Research India, Hyderabad). These loans are further secured by a third charge by way of mortgage/hypothecation of all the immovable/movable properties (other than current assets) of the Company's undertakings located at Kota in Rajasthan and Ajbapur, Rupapur, Loni and Hariawan in Uttar Pradesh. Amount of Rs. Nil (2012-13 - Rs. 1.63 Crores) 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. 227.09 Crores (2012-13 - Rs. 309.02 Crores) are secured by first pari passu charge on whole of the current assets, both present and future, of the Company (except Shriram Bioseed Genetics, Hyderabad and Bioseed Research India, Hyderabad), and a third charge by way of mortgage/hypothecation of all the immovable/movable properties (other than current assets) of the Company's undertakings at Kota in Rajasthan and Ajbapur, Rupapur, Loni and Hariawan in Uttar Pradesh.	
<b>(ii) Subsidiaries</b>	
1. <b>Bioseed Vietnam Limited</b>	
Loans from banks on cash credit account of Rs. 13.57 Crores (2012-13 - Rs. 13.57 Crores) are secured by way of mortgage/ hypothecation of all the immovable/ movable properties.	
<b>b. Long term loans from banks:</b>	
<b>Nature of Security</b>	<b>Terms of Repayment</b>
<b>(i) Company</b>	
1. Term loans of Rs. 74.89 Crores (2012-13 - Rs. 147.27 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. 20.96 Crores due within 1 year; 2012-13 - Rs. 11.89 Crores)	- Rs. 74.89 Crores repayable in 6 Semi-Annual Installments
2. Term loan of Rs. Nil (2012-13 - Rs. 16.00 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 Kota, Rajasthan (Rs. NIL due within 1 year; 2012-13 - Rs. 8.00 Crores)	
3. Term loan of Rs. Nil (2012-13 - Rs. 23.68 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 undertakings at Ajbapur and Hariawan in Uttar Pradesh in equal proportion (Rs. Nil due within 1 year; 2012-13 - Rs. 23.68 Crores)	
4. Term loan of Rs. Nil (2012-13 - Rs. 108.58 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 undertaking at Loni in Uttar Pradesh (Rs. Nil due within 1 year; 2012-13 - Rs. 36.20 Crores)	
5. Term Loans of Rs. 59.89 Crores (2012-13 - Rs. Nil) is secured by way of first pari -passu mortgage/charge created on immovable /movable fixed assets, both present and future, of the Company's undertaking at Loni in Uttar Pradesh and Rs. 19.97 Crores (2012-13 - Rs. Nil) is secured by way of first charge created on movable fixed assets, both present and future, of the Company's undertaking at Rupapur in Uttar Pradesh (Rs. 39.94 Crores due within 1 year; 2012-13 - Rs. Nil)	- Rs. 79.88 Crores repayable in 4 equal Semi- Annual installments
6. Term Loan of Rs. 0.01 Crores (2012-13 - Rs 9.43 Crores) is secured by way of equitable mortgage of Land/Building, both present and future, of Company's undertaking at Tonk, Rajasthan (Rs. 0.01 Crore due within 1 year; 2012-13 - Rs. 1.71 Crores)	-Rs. 0.01 Crores repayable in 1 Annual Installment

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	<b>Nature of Security</b>	<b>Terms of Repayment</b>
7.	Term Loans of Rs. 89.87 Crores (2012-13 - Rs. 81.44 Crores) and Rs. 29.95 Crores (2012-13 - Rs. 27.14 Crores) are secured by way of first pari passu mortgage/charge created on immovable/movable fixed assets, both present and future, of the Company's undertaking at Ajbapur in Uttar Pradesh and Loni in Uttar Pradesh (Rs. 5.99 Crores due within 1 year; 2012-13 - Rs. Nil)	-Rs. 119.82 Crores repayable in 8 Semi -Annual Installments starting from October 2014
8.	Term loan of Rs. 96.86 Crores (2012-13 - Rs. Nil) is secured by way of second pari passu charge created/to be created on all the current assets, both present and future, of the Company, (except Shriram Bioseed Genetics, Hyderabad and Bioseed Research India, Hyderabad) and by way of third pari passu mortgage /charge created/to be created on immovable/movable fixed assets, both present and future, of the Company's undertaking at Ajbapur, Rupapur, Hariawan and Loni in Uttar Pradesh. (Rs. Nil due within 1 year; 2012-13 - Rs. Nil)	-Rs. 96.86 Crores repayable in 12 Equal Quarterly Installments starting from March 2016
<b>C.</b>	<b>Long term loan from others:</b>	
	<b>Nature of Security</b>	<b>Terms of Repayment</b>
<b>(i)</b>	<b>Company</b>	
1.	Term loan of Rs. 230.42 Crores (2012-13 - Rs. 250.57 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. 46.08 Crores due within 1 year; 2012-13 - Rs. 41.76 Crores)	-Rs. 230.42 Crores repayable in 10 equal Semi-Annual Installments
2.	Term loan of Rs. 35.95 Crores (2012-13 - Rs 54.29 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. 23.96 Crores due within 1 year; 2012-13 - Rs. 21.72 Crores)	-Rs.35.95 Crores repayable in 3 Equal Semi-Annual Installments
3.	Term loans of Rs. 26.64 Crores (2012-13 - Rs. 27.83 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 undertaking at Ajbapur in Uttar Pradesh (Rs. 5.33 Crores due within 1 year; 2012-13 - Rs. 1.19 Crores)	-Rs. 26.64 Crores repayable in 5 Equal Annual Installments starting from May 2014
4.	Term loan of Rs. 13.18 Crores (2012-13 - Rs. 16.72 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 undertaking at Hariawan in Uttar Pradesh (Rs. 5.27 Crores due within 1 year; 2012-13 - Rs. 4.79 Crores)	-Rs. 13.18 Crores repayable in 5 Equal Semi-Annual Installments
5.	Term loan of Rs. 9.84 Crores (2012-13 - Rs. 13.12 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 undertaking at Hariawan in Uttar Pradesh (Rs. 3.28 Crores due within 1 year; 2012-13 - Rs. 3.28 Crores)	-Rs. 9.84 Crores repayable in 12 Quarterly Installments
6.	Term loan of Rs. 14.24 Crores (2012-13 - 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 undertaking at Rupapur in Uttar Pradesh (Rs. Nil due within 1 year; 2012-13 - Rs. Nil)	-Rs. 14.24 Crores repayable in 5 Annual Equal Installments starting from December 2016
7.	Term loans of Rs. Nil (2012-13 - Rs. 2.32 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 and Hariawan in Uttar Pradesh (Rs. Nil due within 1 year; 2012-13 - Rs. 2.32 Crores)	
8.	Term Loan of Rs. 10.75 Crores (2012-13 - Rs. Rs. 10.75 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts) both present and future, pertaining to the Company's undertaking at Loni in Uttar Pradesh (Rs. 1.08 due within 1 year; 2012-13 - Rs. Nil)	-Rs. 10.75 Crores repayable in 10 Equal Semi- Annual Installments starting from March 2015
9.	Term loan of Rs. 2.80 Crores (2012-13 - Rs. Nil) from Department of Biotechnology, Government of India is secured against hypothecation of plant and machinery, machinery spares, tools and accessories acquired from the loan proceeds by Company's Bioseed Research India undertaking at Hyderabad. (Rs. 0.29 Crores due within 1 year; 2012-13 - Rs. Nil)	-Rs. 0.20 Crores repayable in 7 equal installments -Rs. 2.05 Crores repayable in 8 equal annual installments -Rs. 0.55 Crores repayable in 10 equal installments commencing after completion of project.
<b>(ii)</b>	<b>Subsidiaries</b>	
1.	<b>Shri Ganpati Fertilizers Limited</b>	
	Loan of Rs. 0.16 Crore (2012-13 - Rs. 0.16 Crore) from a bank is secured by hypothecation of assets purchased (Rs. 0.16 crores due within 1 year; 2012-13 - Rs. 0.15 crores)	Rs. 0.16 crores repayable in 12 monthly instalments

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14. Deposits received under Section 58A of the Companies Act, 1956 are repayable upto March 2017 based on the maturity dates (Rs. 5.48 crores due within 1 year; 2012-13 – 15.90 crores).

## 15. 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	17.88	16.10
- Employers' contribution to superannuation fund	6.61	6.77
- Employers' contribution to employees' state insurance corporation	0.41	0.43

### ii) Defined benefit plans :

- Gratuity
- Compensated absences – Earned leave/ sick leave

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

	Rs. Crores					
	Gratuity (Partially funded)		Compensated absences			
	This year	Previous year	Earned leave (Unfunded)		Sick leave (Unfunded)	
	This year	Previous year	This year	Previous year	This year	Previous year
Discount rate (per annum)	8%	8%	8%	8%	8%	8%
Future salary increase	7%	7%	7%	7%	7%	7%
Expected rate of return on plan assets	9%	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%
<b>I. Expense recognised in statement profit and loss</b>						
Current service cost	5.06	4.65	3.79	4.99	1.83	1.53
Interest cost	6.23	5.70	2.65	2.46	1.72	1.53
Expected return on plan assets	(0.10)	(0.09)	-	-	-	-
Net actuarial(gain) / loss recognised in the year	3.60	2.91	1.97	0.85	(1.28)	(1.30)
Past service cost	-	-	-	-	-	-
Total expense	14.79	13.17	8.41	8.30	2.27	1.76
<b>II. Net asset/(liability) recognised in the balance sheet</b>						
Present value of Defined benefit obligation	85.59	76.81	35.19	31.44	21.80	19.52
Fair value of plan assets	1.84	1.43	-	-	-	-
Funded status surplus/(deficit)	(83.75)	(75.38)	(35.19)	(31.44)	(21.80)	(19.52)
Net asset/(liability)	(83.75)	(75.38)	(35.19)	(31.44)	(21.80)	(19.52)
Non-current liability	(69.69)	(63.96)	(31.89)	(28.37)	(16.64)	(14.27)
Current liability	(14.06)	(11.42)	(3.30)	(3.07)	(5.16)	(5.25)
<b>III. Change in the present value of obligation during the year</b>						
Present value of obligation as at the beginning of the year	76.81	69.58	31.44	28.38	19.53	17.77
Interest cost	6.23	5.70	2.65	2.46	1.72	1.53
Current service cost	5.06	4.65	3.79	4.99	1.83	1.53
Benefits paid	(6.16)	(6.03)	(4.66)	(5.24)	-	-
Actuarial (gains) / losses on obligation	3.65	2.91	1.97	0.85	(1.28)	(1.30)
Present value of obligation as at the end of the year	85.59	76.81	35.19	31.44	21.80	19.53

# Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

	Rs. Crores					
	Gratuity (Partially funded)		Compensated absences			
	This year	Previous year	Earned leave (Unfunded)		Sick leave (Unfunded)	
This year			Previous year	This year	Previous year	
<b>IV. Change in fair value of assets during the year</b>						
Fair value of plan assets at the beginning of the year	1.43	0.95	-	-	-	-
Expected return on plan assets	0.10	0.09	-	-	-	-
Employer Contribution	0.28	0.41	-	-	-	-
Actual benefits paid	(0.02)	(0.02)	-	-	-	-
Actuarial (gains) / losses on planned assets	0.05	-	-	-	-	-
Fair value of plan assets at the end of the year	1.84	1.43	-	-	-	-
Actual return on plan assets	0.15	0.09	-	-	-	-
Note:						
(i) The plan assets are maintained with LIC of India Gratuity Scheme. The details of investment maintained by LIC are not available and have therefore not been disclosed.						
(ii) The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.						

\* IALM (2006-08) duly modified

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

Particulars	2013-14						2012-13			2011-12			2010-11			2009-10		
	Gratuity	Earned leave	Sick leave	Gratuity (partially funded)	Earned leave	Sick leave	Gratuity (partially funded)	Earned leave	Sick leave	Gratuity (partially funded)	Earned leave	Sick leave	Gratuity (partially funded)	Earned leave	Sick leave			
Present value of obligation as at the end of the year	85.59	35.19	21.80	76.81	31.44	19.53	69.58	28.39	17.77	62.36	25.44	15.92	53.91	21.61	14.12			
Fair value of plan assets at the end of the year	1.84	-	-	1.43	-	-	0.95	-	-	0.78	-	-	0.55	-	-			
Surplus / (Defecit) in plan assets	(83.75)	(35.19)	(21.80)	(75.38)	(31.44)	(19.53)	(68.63)	(28.39)	(17.77)	(61.58)	(25.44)	(15.92)	(53.36)	(21.61)	(14.12)			
Experience adjustment on plan assets { Gain / (loss) }	0.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Experience adjustment on plan liabilities { Gain / (loss) }	3.65	1.97	(1.28)	2.82	0.85	(1.30)	3.44	1.79	(1.13)	4.69	2.34	(0.57)	-	-	-			

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

17. Pursuant to the Scheme of Amalgamation (Scheme) for amalgamation of Bioseed Research India Limited (BRI), wholly owned subsidiary of the Company, under sections 391 to section 394 of the Companies Act, 1956 approved by the Hon'ble High Court of Delhi vide its order dated January 21, 2013 which became effective on May 1, 2013 on filing of the certified copy of the orders of the High Court in the office of the Registrar of Companies, w.e.f April 1, 2013, the appointed date of the Scheme, BRI wholly owned subsidiary of the Company has been amalgamated into the company.

18. Employee share based payments

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

19. Exceptional items represents the expenses relating to restructuring and rationalization of Hariyali Kisaan Bazaar's operations during financial year 2012-13.

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

21. Notes to 1 to 21 form an integral part of the financial statement.

Signatures to Notes 1 to 21

B.L. SACHDEVA  
Company Secretary

S.S.BAIJAL  
Director

AJAY S. SHRIRAM  
Chairman & Senior Managing Director

New Delhi  
April 28, 2014



# Subsidiary Companies' Particulars

DCM SHRIRAM LIMITED  
(Formerly DCM Shriram  
Consolidated Limited)

Particulars regarding subsidiary companies pursuant to General Circular No. 2/ 2011 dated February 8, 2011 from Ministry of Corporate Affairs Government of India Year Ended March 31,2014

Name of the Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Turnover	Profit / (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	Rs.Crores
									Proposed Dividend
DCM Shriram Credit and Investments Limited	6.00	(3.41)	8.57	5.98	0.58	(0.03)	0.01	(0.04)	-
Bioseed India Limited	0.05	(0.04)	0.02	₹	-	#	-	#	-
DCM Shriram Infrastructure Limited	0.05	(0.96)	29.88	30.79	-	(0.10)	-	(0.10)	-
DCM Shriram Thermal Energy Limited	0.05	(0.07)	\$	0.02	-	∅	-	∅	-
Shriram Bioseed (Thailand ) Limited	3.35	(21.54)	5.28	23.47	3.76	(7.21)	-	(7.21)	-
Bioseeds Limited	11.21	42.13	83.58	30.24	3.68	2.17	0.05	2.12	-
Bioseed Vietnam Limited	5.06	(9.60)	50.16	54.70	11.36	(30.28)	(2.91)	(27.37)	-
Bioseed Research Philippines, Inc.	5.16	4.47	66.46	56.83	25.40	(12.85)	0.18	(13.03)	-
DCM Shriram Aqua Foods Limited	8.35	(5.27)	3.08	₹₹	0.13	0.07	0.02	0.05	-
DCM Shriram Energy and Infrastructure Limited	0.20	(0.21)	₹₹₹	0.01	-	(0.01)	-	(0.01)	-
Shriram Bioseed Ventures Limited	4.05	17.59	99.65	78.01	3.03	1.38	0.45	0.93	-
Shriram Bioseeds Limited	1.54	52.22	87.85	34.09	1.59	(25.23)	-	(25.23)	-
DCM Shriram Foundation (formerly Hariyali Rural Foundation)	0.01	(0.01)	0.02	0.02	₹₹₹	(0.01)	-	(0.01)	-
Hariyali Rural Ventures Limited	1.00	(0.67)	20.80	20.47	2.53	2.52	0.51	2.01	-
DCM Shriram Hydro Energy Limited	0.15	(0.16)	**	0.01	-	***	-	***	-
Shriram Vinyl Polytech Private Limited (formerly Shriram Vinyl Polytech Ltd.)	1.73	2.91	44.26	39.62	91.51	0.01	(0.44)	0.45	-
Fenesta India Limited	0.05	0.08	9.81	9.68	24.38	0.04	0.02	0.02	-
Shri Ganpati Fertilizers Limited	2.15	(19.51)	10.95	28.31	27.05	(5.95)	-	(5.95)	-
Hariyali India Limited	0.05	(0.01)	0.04	*	₹	\$\$	\$\$\$	##	-
Hariyali Insurance Broking Limited	0.50	(0.59)	0.14	0.23	0.01	(0.02)	###	(0.02)	-
Bioseeds Holdings PTE Limited	9.06	0.47	73.07	63.54	3.05	(0.31)	-	(0.31)	-
Shridhar Shriram Foundation	0.05	(0.01)	0.04	∅∅	-	∅∅∅	-	∅∅∅	-
PT Shriram Seed Indonesia	0.51	(5.41)	5.18	10.08	3.53	(3.05)	(0.48)	(2.57)	-
PT Shriram Genetics	1.78	(0.74)	9.75	8.71	0.11	(0.49)	(0.01)	(0.48)	-
Bioseed Research USA Inc.	!	0.11	0.12	0.01	-	(0.04)	-	(0.04)	-

Exchange Rate as at 31.3.2014

1 USD = INR 59.91

1 Baht = INR 1.83

@ - Rs. 17000, # - ( Rs. 25000), \$ - Rs. 9000, ∅ - (Rs. 23000), ₹₹ - Rs.34000, ## - (Rs. 12000), ### - Rs. 18000, \$\$ - (Rs. 7000), \* - Rs. 20000, \$\$\$ - Rs. 5000 ₹₹₹ - Rs. 14000, \*\* - Rs. 4000, ∅∅ - Rs.12000, ∅∅∅ - (Rs.15000), \*\*\* - (Rs.24000), ! - Rs.13000

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

	Rs. Crores
<b>DCM Shriram Credit and Investments Limited</b>	
National Saving Certificate (# Rs.6,000)	#
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
53,959 equity shares of Bank of Baroda of Rs. 10/- each fully paid up	1.37
20,108 equity shares fo 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 fo Yes Bank Ltd of Rs. 10/- each fully paid up	0.08
6,53,592 equity shares of NICCO Corporation Limited of Rs.2/- 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.

# 13

## Notice

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

Notice is hereby given that the Twenty Fifth Annual General Meeting of DCM Shriram Limited (formerly DCM Shriram Consolidated Ltd.) will be held on Tuesday, the 12th August, 2014 at 10.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi to transact the following businesses:

### Ordinary Business:

1. To consider and adopt the Directors' Report, the audited financial statement along with the audited consolidated financial statement of the Company for the year ended 31st March, 2014.
2. To elect a Director in the place of Dr. N.J. Singh who retires by rotation and being eligible offers himself for re-election.
3. To declare final dividend and to note the payment of interim dividend on Equity Shares for the financial year 2013-14.
4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
"Resolved that M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No.015125N), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

### Special Business:

5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
"Resolved that Shri Sharad Shrivastva (DIN No.01271854) who was appointed as a Director of the Company by the Board to fill the vacancy caused by the resignation of Shri Rajesh Kandwal be and is hereby appointed a Director of the Company, liable to retire by rotation."
6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:  
"Resolved that Shri K.K. Kaul (DIN : 00980318) who was appointed an Additional Director and holds office upto the forthcoming Annual General Meeting of the Company, be and is hereby appointed as a Director liable to retire by rotation.  
Resolved further that subject to such consents and permissions, as may be necessary, approval of the Company be and is hereby accorded in terms of Sections 196 and 197 and other applicable provisions, if any, of the Companies Act, 2013, and the Schedule(s) thereto, including any statutory modification or re-enactment thereof, to the appointment of Shri K.K. Kaul as Whole Time Director on the terms and conditions as set out hereunder:

### Terms & Conditions of re-appointment

#### 1. Tenure

Upto 5 years as may be decided by the Board of Directors.

#### 2. Remuneration

##### (a) Salary

Rs. 5.16 lacs per month. The Board or any Committee thereof in its absolute discretion and from time to time will review the salary payable to Shri K.K. Kaul.

##### (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.

##### (c) Commission on net profits

Such amount as may be decided by the Board of Directors or a Committee thereof from year to year provided that the total remuneration including salary and perquisites along with commission paid to all the Managing/Whole-time Directors of the Company shall not exceed the limit laid down under Sections 197 and 198 of the Companies Act, 2013.

##### (d) Remuneration for a part of the Year

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

##### (e) Minimum Remuneration

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

#### 3. Functions

Shri K.K. Kaul shall discharge such duties and functions as may be assigned to him by Chairman & Senior Managing Director and Vice Chairman & Managing Director 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 Shri K.K. Kaul as Whole Time Director may be terminated by either party giving to the other three calendar months notice in writing.

Resolved further that the Board of Directors or a Committee thereof be and is hereby authorised to vary or modify any of the above terms & conditions including alter, vary or increase the salary, grade and other remuneration, notwithstanding the same shall exceed the overall remuneration set out as above or as may be prescribed/permissible provided however that the same is within the limits

laid down in the Schedule V than subsisting, without requiring any further resolution or consent of or reference to the Members and to take all necessary steps, actions, which are incidental and consequential to give effect to the above Resolution.”

7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:  
“Resolved that consent of the Company under Section 180 and other applicable provisions, if any, of the Companies Act, 2013, be and is hereby accorded to the Board of Directors/Committee thereof to borrow at any time any sum or sums of money not exceeding Rs.2500 Crores notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained/to be obtained from the Company’s Bankers in the ordinary course of business) shall exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.  
Resolved further that the Board of Directors/Committee thereof or other delegate be and is hereby authorized to do all such acts, deeds, things and to execute all such documents, instruments and writings as may be required in connection therewith.”
8. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:  
“Resolved that consent of the Company under Section 180 and other applicable provisions, if any, of the Companies Act, 2013, be and is hereby accorded to the Board of Directors/Committee thereof to create such charge(s), mortgage(s) and hypothecation(s) in addition to the existing charges, mortgages and hypothecations created by the Company on such movable and immovable properties, both present and future of the Company, and in such manner as the Board or a Committee or other delegate may in its absolute discretion deem fit to secure the repayment of rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to ordinary shares and/or rupee/foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as ‘Loans’) together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, guarantee commission, remuneration payable to trustees, costs, charges, expenses and all other moneys payable by the Company including any increase as a result of devaluation/revaluation/fluctuation in the rate of exchange of foreign currency, in respect of said loans, interest and other charges, provided that the total amount of charges/mortgages/hypothecations so created shall not at any time exceed the limit of Rs.2500 Crores.  
Resolved further that, in case of default, consent of the Company be and is hereby accorded to take over the management of the business and concern of the Company by the Banks/Financial Institutions/other Lenders and Trustees for the holders of debentures/bonds/other instruments in the repayment of the loans referred in the aforesaid Resolution.  
Resolved further that the Board of Directors/Committee thereof or other delegate be and is hereby authorized to do all such acts, deeds, things and to execute all such documents, instruments and writings as may be required in connection therewith.”
9. To appoint Dr. S.S. Bajjal (DIN No.00027961) as an Independent Director and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
“Resolved that pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. S.S. Bajjal (DIN No.00027961), who was appointed as a Director liable to retire by rotation, pursuant to provisions of Companies Act, 1956 and whose term of office expires at this Annual General Meeting, be appointed as an Independent Director of the Company to hold office for 2 (two) consecutive years from the conclusion of this meeting till the conclusion of the 27th Annual General Meeting of the Company.”
10. To appoint Shri Arun Bharat Ram (DIN No.00694766) as an Independent Director and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
“Resolved that pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Arun Bharat Ram (DIN No.00694766), who was appointed as a Director liable to retire by rotation, pursuant to provisions of Companies Act, 1956 and whose term of office expires at this Annual General Meeting, be appointed as an Independent Director of the Company to hold office for 2 (two) consecutive years from the conclusion of this meeting till the conclusion of the 27th Annual General Meeting of the Company”.
11. To appoint Shri Pradeep Dinodia (DIN No.00027995) as an Independent Director and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
“Resolved that pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Pradeep Dinodia (DIN No.00027995), who was appointed as a Director liable to retire by rotation, pursuant to provisions of Companies Act, 1956, be appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from the conclusion of this meeting till the conclusion of the 30th Annual General Meeting of the Company.”
12. To appoint Shri Vimal Bhandari (DIN No.00001318) as an Independent Director and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
“Resolved that pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Vimal Bhandari (DIN No.00001318), who was appointed as a Director liable to retire by rotation, pursuant to provisions of Companies Act, 1956, be appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from the conclusion of this meeting till the conclusion of the 30th Annual General Meeting of the Company.”
13. To appoint Shri Sunil Kant Munjal (DIN No.00003902) as an Independent Director and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
“Resolved that pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Sunil Kant Munjal (DIN No.00003902), who was appointed as a Director liable to retire by rotation, pursuant to provisions of Companies Act, 1956, be appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from the conclusion of this meeting till the conclusion of the 30th Annual General Meeting of the Company.”

14. To appoint Shri D. Sengupta (DIN No.00043289) as an Independent Director and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
 "Resolved that pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri D. Sengupta (DIN No.00043289), who was appointed as a Director liable to retire by rotation, pursuant to provisions of Companies Act, 1956, be appointed as an Independent Director of the Company to hold office for 2 (two) consecutive years from the conclusion of this meeting till the conclusion of the 27th Annual General Meeting of the Company."
15. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
 "Resolved that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the cost auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015, as detailed in the explanatory statement to this notice, be and is hereby ratified and confirmed.  
 Resolved further that the Board of Directors/Committee thereof or other delegate be and is hereby authorized to do all such acts, deeds, things as may be required in connection therewith including revising the cost audit fees on year to year basis as they may deem appropriate."
16. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:  
 "Resolved that pursuant to Sections 73, 76 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors to invite and accept unsecured deposits from Members/Employees and Public as per the scheme approved by the Board of Directors of the Company.  
 Resolved further that the Board of Directors be and is hereby authorized to take all necessary actions (including delegation of powers to any person), which are incidental or consequential thereto to give effect to the said Resolution."
17. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:  
 "Resolved that pursuant to Section 14, 203 and other applicable provisions and rules, if any, of the Companies Act, 2013, the following be inserted at the end of Article 87 of the Articles of Association of the Company:  
 Managing Director and Chief Executive Officer of the Company shall be the Chairperson of the Company.  
 Resolved further that the Board of Directors/Committee thereof or other delegate be and is hereby authorized to do all such acts, deeds, things and to execute all such documents, instruments and writings as may be required in connection therewith."
18. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:  
 "Resolved that the approval of the Company be and is hereby accorded pursuant to Section 197 and other applicable Rules & provisions, if any, of the Companies Act, 2013, to pay, subject to such other approvals as may be necessary, a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Sections 197 and 198 of the Companies Act, 2013, to all or some or any of the Directors who are neither the Managing Directors nor the Whole Time Directors of the Company in such amounts or proportions and in such manner as may be determined by the Board of Directors."

By Order of the Board



(B.L. SACHDEVA)  
 Company Secretary

New Delhi  
 10th July, 2014

**Notes:**

- The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
- A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. A Proxy Form is sent herewith.**  
**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
- The Share Transfer Books and the Register of Members of the Company will remain closed from 18.07.2014 to 25.07.2014 (both days inclusive).
- 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 trading in the shares in the Company.
- 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 a cancelled cheque and proof of change of address, as applicable. Beneficial owners holding shares in electronic form are requested to intimate their change in address/Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP) in order to get the same registered.
- 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.
- In terms of SEBI Circular dated 20th May, 2009 and 7th January, 2010, any request pertaining to (i) transfer of physical shares (ii) Deletion

of name of the deceased shareholder(s) where the shares are held in the name of two or more shareholders (iii) Transmission of shares to the legal heir(s)/representative(s), where deceased shareholder was the sole holder of shares (iv) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders shall be accompanied with a self-attested copy of their Income Tax PAN Card along with the other documents to the RTA irrespective of the value of the transaction.

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 which can be claimed from it.

Pursuant to the amended provisions of Sections 205A and 205C of the Companies Act, 1956, the Company has transferred the unpaid interim dividend for the financial year 2006-07 to Investor Education and Protection Fund (the Fund) for which no claim shall lie against the Company or the Fund. Members of the Company who have not yet encashed their final dividend warrant(s) for the financial year ended 31.03.2007 and thereafter may write to the Company immediately.

9. In terms of Section 72 of the Companies Act, 2013, a Member of the Company may nominate a person on whom the Shares held by him/her shall vest in the event of his/her death. Member(s) desirous of availing this facility may submit nomination in the prescribed Form SH-13 to the Company/RTA in case shares are held in Physical form, and to their respective depository participant, if held in electronic form.

10. **Members are requested to register/update their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.**

11. Appointment of Directors

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

Name of the Director	Dr. N.J. Singh	Shri Sharad Shrivastva	Shri K.K. Kaul
Date of Birth	29.11.1953	17.01.1960	30.03.1950
Nationality	Indian	Indian	Indian
Date of Appointment on the Board of the Company	20.11.2007	02.07.2014	02.07.2014
Qualification	M.Sc., Ph.D.	B.A. Associate (III)	BE in Chemical Engineering and Doctorate Degree in Human Letters
Expertise in Functional Area	Environment, Health, Safety, Quality Systems, Sustainability, Food Safety and Energy Management.	Administration, Governance, HR & Marketing	General Management, Project Management, Supply Chain Management, Operation of Process Plants and HR
Directorships held in other Companies	Shriram Axiall Pvt. Ltd. (Formerly Shriram Vinyl PolyTech Pvt. Ltd.)	National Cooperative Housing Federation of India, Delhi	Kota Club Ltd.
Chairman/Member of the Committee(s) of the Board of Directors of the Company	NIL	NIL	NIL
Chairman/Member of the Committee(s) of the Board of Directors of other Companies in which he is a Director	NIL	NIL	NIL
Number of shares held in the Company	2000	NIL	29,000

Name of the Director	Dr. S.S. Bajjal	Shri Arun Bharat Ram	Shri Pradeep Dinodia
Date of Birth	06.09.1929	15.11.1940	02.12.1953
Nationality	Indian	Indian	Indian
Date of Appointment on the Board of the Company	22.05.1990	22.05.1990	18.07.1994
Qualification	B.Sc., M.Sc., D.Phil.	Graduate in Industrial Engineering	B.A. (Eco. Hons.), LL.B., F.C.A.
Expertise in Functional Area	General Management, Finance and Audit	Nylon Tyre Chord Industry and Industrial Synthetics Business	Corporate Legal Matters, FEMA, Accounting and Direct Taxes
Directorships held in other Companies	- Atul Ltd. - DCM Shriram Credit and Investments Ltd. - Rossell India Ltd. - BMG Enterprises Ltd. - CAE Rossel India Ltd. - Delhi Guest House Pvt. Ltd.	- SRF Ltd. - JK Paper Ltd. - SRF Holiday Home Ltd. - SRF Flourochemicals Ltd. - SRF Energy Ltd. - Shri Educare Ltd. - Essilor India Pvt. Ltd. - SRF Industex Belting (Pty) Ltd. - SRF Overseas Ltd. - SRF Industries (Thailand) Ltd. - SRF Flexipax (South Africa) (Pty) Ltd.	- Shriram Pistons & Rings Ltd. - Hero MotoCorp Ltd. - Hero Corporate Service Ltd. - DFM Foods Ltd. - Micromatic Grinding Technologies Ltd. - SPR International Auto Exports Ltd. - Ultima Finvest Ltd. - J.K. Lakshmi Cement Ltd.
Chairman/Member of the Committee(s) of the Board of Directors of the Company	<b>Chairman</b> - Audit Committee - Remuneration Committee <b>Member</b> - Shareholders/Investors' Grievance Committee	<b>Member</b> - Audit Committee	<b>Chairman</b> - Shareholders/Investors Grievance Committee <b>Member</b> - Audit Committee - Remuneration Committee
Chairman/Member of the Committee(s) of the Board of Directors of other Companies in which he is a Director	<b>Chairman</b> <u>Audit Committee</u> - Rossell India Ltd. - Atul Ltd. <b>Member</b> <u>Remuneration Committee</u> - Rossell India Ltd.	<b>Chairman</b> <u>Remuneration Committee</u> - JK Paper Ltd. <b>Member</b> <u>Shareholders/Investors' Grievance Committee</u> - SRF Ltd. - JK Paper Ltd.	<b>Chairman</b> <u>Audit Committee</u> - DFM Foods Ltd. - Hero MotoCorp Ltd. - Hero Corporate Service Ltd. <u>Nominations Committee</u> - Shriram Pistons & Rings Ltd.

<b>Name of the Director</b>	<b>Dr. S.S. Bajjal</b>	<b>Shri Arun Bharat Ram</b>	<b>Shri Pradeep Dinodia</b>
	- Atul Ltd. - BMG Enterprises Ltd.	<u>Audit Committee</u> - JK Paper Ltd. <u>Committee of Directors – Financial Resources</u> - SRF Ltd.	<u>Corporate Governance Committee</u> - J.K. Lakshmi Cement Ltd. <b>Member</b> <u>Audit Committee</u> - Shriram Pistons & Rings Ltd. <u>Shareholders/Investors Grievance Committee</u> - Hero MotoCorp Ltd. - Shriram Pistons & Rings Ltd. <u>Remuneration Committee</u> - Shriram Pistons & Rings Ltd. - Hero MotoCorp Ltd. - DFM Foods Ltd.
<b>Number of shares held in the Company</b>	50,000	NIL	29,270
<b>Name of the Director</b>	<b>Shri Vimal Bhandari</b>	<b>Shri Sunil Kant Munjal</b>	<b>Shri D. Sengupta</b>
<b>Date of Birth</b>	23.08.1958	14.12.1957	20.06.1942
<b>Nationality</b>	Indian	Indian	Indian
<b>Date of Appointment on the Board of the Company</b>	13.05.2003	13.05.2003	11.08.2003
<b>Qualification</b>	B.Com, C.A.	B.Com, Training in Mechanical Engineering.	Bachelor of Science in Physics, PGDM.
<b>Expertise in Functional Area</b>	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.
<b>Directorships held in other Companies</b>	- Kalpataru Power Transmission Ltd. - Bayer CropScience Ltd. - The Ratnakar Bank Ltd. - Piramal Glass Ltd. - J.K. Tyre & Industries Ltd. - Bharat Forge Ltd. - IndoStar Asset Advisory Pvt. Ltd. - Indostar Capital Finance Pvt. Ltd. - MIRC Electronics Ltd. - ING Investment Management (India) Pvt. Ltd.	- Hero Corporate Service Ltd. - Hero Management Service Ltd. - Shivam Autotech Ltd. - Hero Realty Ltd. - Satyam Auto Components Ltd. - Easy Bill Ltd. - Hero MotoCorp Ltd. - Hero InvestCorp Ltd. - Hero Realty and Infra Ltd. - Rockman Industries Ltd. - Hero Mindmine Institute Ltd. - Hero Future Energies Ltd. - Bahadur Chand Investments Pvt. Ltd. - Thakurdevi Hydro Pvt. Ltd. - Indian School of Business (Member) - BML Investments Pvt. Ltd. - BML EduCorp Services - Hero INC. B.V.	- Duncans Industries Ltd. - Reliance General Insurance Co. Ltd.
<b>Chairman/Member of the Committee(s) of the Board of Directors of the Company</b>	NIL	NIL	<b>Member</b> Audit Committee Managerial Remuneration Committee
<b>Chairman/Member of the Committee(s) of the Board of Directors of other Companies in which he is a Director</b>	<b>Chairman</b> <u>Audit Committee</u> - The Ratnakar Bank Ltd. - Piramal Glass Ltd. - MIRC Electronics Ltd. <u>Nomination &amp; Compensation Committee</u> - Piramal Glass Ltd. <u>Remuneration Committee</u> - Bayer CropScience Ltd. <u>Management Committee</u> IndoStar Capital Finance Pvt. Ltd. <b>Member</b> <u>Audit Committee</u> - Kalpataru Power Transmission Ltd. - Bayer CropScience Ltd. <u>Remuneration Committee</u> - Kalpataru Power Transmission Ltd. - MIRC Electronics Ltd. <u>Nomination &amp; Compensation Committee</u> - Kalpataru Power Transmission Ltd. <u>HR Committee of the Board</u> - The Ratnakar Bank Ltd. <u>Asset Liability Management Committee</u>	<b>Member</b> <u>Audit Committee</u> - Hero Management Service Ltd. - Hero Mindmine Institute Ltd. - Satyam Auto Components Ltd. - Shivam Autotech Ltd. - Easy Bill Ltd. - Hero InvestCorp Ltd. - Bahadur Chand Investments Pvt. Ltd.	<b>Member</b> <u>Audit Committee</u> - Reliance General Insurance Co. Ltd.

Name of the Director	Shri Vimal Bhandari	Shri Sunil Kant Munjal	Shri D. Sengupta
	- IndoStar Asset Advisory Pvt. Ltd. <u>Executive Committee</u> - IndoStar Asset Advisory Pvt. Ltd. <u>Banking Committee</u> - IndoStar Asset Advisory Pvt. Ltd. <u>Grievance Redressal Committee</u> - IndoStar Asset Advisory Pvt. Ltd. <u>Debenture Committee</u> - IndoStar Asset Advisory Pvt. Ltd.		
<b>Number of shares held in the Company</b>	2,000	NIL	20,000

12. Corporate Members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
13. In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
14. Relevant documents referred to in the accompanying Notice and Explanatory Statement are opened for inspection by the Members at the Registered Office of the Company on all working days, during 11.00 A.M. to 1.00 P.M. upto the date of the Meeting.

**15. Voting through electronic means**

- I. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members a facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL). E-Voting is optional. Please read carefully the following instructions/procedures on E-Voting.

The instructions/procedure to login to e-Voting website is given below:

- A. In case a Member receives AGM Notice by an e-mail (for Member whose e-mail ID is registered with the Company/Depository Participant(s)):

1. Open the attached PDF file "e-Voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
3. Click on "Shareholder - Login".
4. Put User ID and password as initial password noted in step (1) above and Click Login.
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
7. Select "EVEN" of DCM Shriram Ltd.

Members can cast their vote online from August 6, 2014 (9:00 am) till August 8, 2014 (6:00 pm). Please note that e-Voting shall not be allowed beyond the said time.

8. Now you are ready for "e-Voting" as "Cast Vote" page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
10. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail [pkbfc@gmail.com](mailto:pkbfc@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- B. In case a Member receives physical copy of AGM Notice (for Member whose e-mail ID is not registered with the Company/Depository Participant(s) or requesting physical copy):

- a) Initial password is provided as below, at the bottom of the Attendance Slip for the AGM :

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

- b) Please follow all steps from Sl. No. (2) to Sl. No. (10) above, to cast vote.

- II. The Notice of the AGM of the Company, inter alia, indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or [www.dcmshriram.com](http://www.dcmshriram.com).
- III. The e-voting period commences on August 6, 2014 (9:00 am) and ends on August 8, 2014 (6:00 pm). During this period, shareholders of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- IV. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, 4th July, 2014, being the cut off date.
- V. The Company has appointed Shri Pankaj Bansal, a Practising Company Secretary as Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- VI. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

- VII. The Results on Resolutions shall be declared on or after the AGM of the Company and the Resolutions will be deemed to be passed on the AGM date subject of the requisite numbers of votes cast in favour of the Resolutions.
- VIII. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company ([www.dcmshriram.com](http://www.dcmshriram.com)) and on the website of National Securities Depository Limited (NSDL) within two (2) days of passing of the resolutions and communications of the same to the Stock Exchanges, where the Equity Shares of the Company are Listed.
- IX. General  
Please note that:
- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
  - Your login ID and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
  - If you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz.; [www.icicidirect.com](http://www.icicidirect.com) for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website [www.icicidirect.com](http://www.icicidirect.com). Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the evoting system of NSDL.
- X. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following Telephone No.: 022-2499 4600.

### **EXPLANATORY STATEMENT**

(Pursuant to Section 102 of the Companies Act, 2013)

#### **ITEM NO. 5**

Shri Sharad Shrivastva, was appointed by the Board w.e.f. 2.7.2014 to fill the casual vacancy caused by the resignation of Shri Rajesh Kandwal, who was liable to retire by rotation at the ensuing Annual General Meeting.

He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

As required under Section 160 of the Companies Act, 2013 and rules made thereunder, notice has been received from a member signifying his intention to propose him as a Director along with a deposit of Rs. 1 Lac.

The Board recommends the Ordinary Resolution as set out at Item No.5 of the Notice for approval by the Shareholders.

Except Shri Sharad Shrivastva and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Director/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, in the Resolution set out at Item No.5 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No.5 of the Notice for approval by the Shareholders.

#### **ITEM NO. 6**

Shri K.K. Kaul, was appointed on the Board of the Company as an Additional Director and Whole Time Director w.e.f. 2.7.2014. According to the provisions of Section 161 of the Companies Act, 2013, he holds office as a Director upto the date of ensuing Annual General Meeting.

He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

As required under Section 160 of the Companies Act, 2013 and rules made thereunder, notice has been received along with a deposit of Rs.1 Lac.

Except Shri K.K. Kaul and his relatives, no other Director/Key Managerial Person(s) or their relative(s) is concerned or interested in the Resolution.

The Board recommends the Special Resolution as set out at Item No.6 of the Notice for approval by the Shareholders.

#### **ITEM NO.7**

The Shareholders of the Company in their meeting held on 2.8.2005 had authorized the Board of Directors/Committee thereof by way of Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 to raise debt funds from FIs/Investment Institutions/Banks/Bodies Corporate by issue of debenture etc. from time to time for an aggregate borrowings at any time not exceeding Rs.2000 Crores (apart from temporary loan obtained from the Company's bankers in the ordinary course of business).

Now on enactment of the Companies Act, 2013 (the Act), Section 180 of the Act requires the Company to obtain Shareholders' approval by way of Special Resolution to exercise the aforesaid powers. It is proposed to enhance the ceiling to Rs.2500 Crores.

No Director/Key Managerial Person(s) or their relative(s) is concerned or interested in the Resolution.

The Board recommends the Special Resolution as set out at Item No.7 of the Notice for approval by the Shareholders.

#### **ITEM NO. 8**

The Shareholders of the Company in their meeting held on 2.8.2005 had authorized the Board of Directors/Committee thereof by way of Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 to create charges, mortgages and hypothecation on moveable and immovable properties in favour of Banks/Financial Institutions/Lenders/Trustees and the holders of debentures/other instruments to secure rupee/foreign currency loan and/or issue of Debentures etc. for an aggregate outstanding amount not exceeding Rs.2000 Crores at any time. This ceiling is proposed to enhance to Rs.2500 Crores. Further, the documents to be executed between the lending Institution/Trustees for the securities as mentioned in the Resolution may contain the powers to take over the management and concern of the Company in events of defaults.

Now on enactment of the Companies Act, 2013 (the Act), Section 180 of the Act requires the Company to obtain Shareholders' approval by way of Special Resolution for exercising aforementioned powers.

No Director/Key Managerial Person(s) or their relative(s) is concerned or interested in the Resolution.



The Board recommends the Special Resolution as set out at Item No.8 of the Notice for approval by the Shareholders.

#### **ITEM NO. 9**

Dr. S.S. Bajjal is an Independent Director of the Company and has held the position as such since 1990.

It is proposed to appoint him as Independent Director under Section 149 of the Companies Act, 2013 (the Act) to hold office for two consecutive years from the conclusion of this meeting till the conclusion of the 27th Annual General Meeting of the Company.

He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declarations from him that he meets with the criteria of independence as prescribed under Section 149(6) of the Act and under Clause 49 of the Listing Agreement and that in opinion of the Board he fulfills the condition for such an appointment as specified in the Companies Act, 2013.

Except Dr. S.S. Bajjal and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, in the Resolution set out at Item No. 9 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 9 of the Notice for approval by the Shareholders.

#### **ITEM NO. 10**

Shri Arun Bharat Ram is an Independent Director of the Company and has held the position as such since 1990.

It is proposed to appoint him as Independent Director under Section 149 of the Companies Act, 2013 (the Act) to hold office for two consecutive years from the conclusion of this meeting till the conclusion of the 27th Annual General Meeting of the Company.

He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declarations from him that he meets with the criteria of independence as prescribed under Section 149(6) of the Act and under Clause 49 of the Listing Agreement and that in opinion of the Board he fulfills the condition for such an appointment as specified in the Companies Act, 2013.

Except Shri Arun Bharat Ram and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, in the Resolution set out at Item No. 10 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 10 of the Notice for approval by the Shareholders.

#### **ITEM NO. 11**

Shri Pradeep Dinodia is an Independent Director of the Company and has held the position as such since 1994.

It is proposed to appoint him as Independent Director under Section 149 of the Companies Act, 2013 (the Act) to hold office for five consecutive years from the conclusion of this meeting till the conclusion of the 30th Annual General Meeting of the Company.

He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declarations from him that he meets with the criteria of independence as prescribed under Section 149(6) of the Act and under Clause 49 of the Listing Agreement and that in opinion of the Board he fulfills the condition for such an appointment as specified in the Companies Act, 2013.

Except Shri Pradeep Dinodia and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, in the Resolution set out at Item No. 11 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 11 of the Notice for approval by the Shareholders.

#### **ITEM NO.12**

Shri Vimal Bhandari is an Independent Director of the Company and has held the position as such since 2003.

It is proposed to appoint him as Independent Director under Section 149 of the Companies Act, 2013 (the Act) to hold office for five consecutive years from the conclusion of this meeting till the conclusion of the 30th Annual General Meeting of the Company.

He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declarations from him that he meets with the criteria of independence as prescribed under Section 149(6) of the Act and under Clause 49 of the Listing Agreement and that in opinion of the Board he fulfills the condition for such an appointment as specified in the Companies Act, 2013.

Except Shri Vimal Bhandari and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, in the Resolution set out at Item No.12 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 12 of the Notice for approval by the Shareholders.

#### **ITEM NO.13**

Shri Sunil Kant Munjal is an Independent Director of the Company and has held the position as such since 2003.

It is proposed to appoint him as Independent Director under Section 149 of the Companies Act, 2013 (the Act) to hold office for five consecutive years from the conclusion of this meeting till the conclusion of the 30th Annual General Meeting of the Company.

He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declarations from him that he meets with the criteria of independence as prescribed under Section 149(6) of the Act and under Clause 49 of the Listing Agreement and that in opinion of the Board he fulfills the condition for such an appointment as specified in the Companies Act, 2013.

Except Shri Sunil Kant Munjal and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, in the Resolution set out at Item No. 13 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 13 of the Notice for approval by the Shareholders.

**ITEM NO.14**

Shri D. Sengupta is an Independent Director of the Company and has held the position as such since 2003.

It is proposed to appoint him as Independent Director under Section 149 of the Companies Act, 2013 (the Act) to hold office for two consecutive years from the conclusion of this meeting till the conclusion of the 27th Annual General Meeting of the Company.

He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declarations from him that he meets with the criteria of independence as prescribed under Section 149(6) of the Act and under Clause 49 of the Listing Agreement and that in opinion of the Board he fulfills the condition for such an appointment as specified in the Companies Act, 2013.

Except Shri D. Sengupta and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, in the Resolution set out at Item No.14 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 14 of the Notice for approval by the Shareholders.

**ITEM NO.15**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March, 31, 2015 as per the following details:

- M/s. Bahadur Murao & Co., Cost Accountants, New Delhi and M/s. J.P. Sarda & Associates, Cost Accountants, Kota as Cost Auditors for the financial year 2014-15, to audit the cost accounting records for its products for a total remuneration upto Rs.3.35 lacs.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, confirmation of the members is sought for passing an Ordinary Resolution as set out at Item No. 15 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015 and authorizing the Board of Directors or Committee thereof to revise the cost audit fees on year to year basis as they may deem appropriate.

No Director/Key Managerial Person(s) or their relative(s) is concerned or interested in the Resolution.

**ITEM NO.16**

The Company had earlier been accepting Fixed Deposits from the Member and Public pursuant to the provisions of Section 58A of the Companies Act, 1956 and rules thereunder.

However, on effectuation of Sections 73 and 76 of the Companies Act, 2013 and the rules framed thereunder, no Company can invite and accept deposits from Members and Public without obtaining approval of the Shareholders by way of Special Resolution.

The Board recommends the Special Resolution as set out at Item No.16 of the Notice for approval by the Shareholders.

**ITEM NO. 17**

Proviso to Section 203 of the Companies Act, 2013 provides that an individual shall not be appointed as the chairperson of the Company as well as the Managing Director or Chief Executive Officer (CEO) of the Company at the same time after the date of commencement of this Act unless the articles of such a Company provide otherwise.

In view of the above, it is proposed to amend the Articles of Association of the Company as detailed in the Resolution.

The Board recommends the Special Resolution as set out at Item No. 17 of the Notice for approval by the Shareholders.

**ITEM NO. 18**

Considering the Company's size, its operations and the fact that Directors who are neither Managing nor the Whole Time Directors are required to make extra exertions from time to time. The Board of Directors recommend for payment of commission of a sum not exceeding 1% of the net profits of the Company, calculated in accordance with the provisions of Sections 197 and 198 of the Companies Act, 2013 and rules made thereunder, in such amounts or proportions to all or some or any of the Directors who are neither Managing nor the Whole Time Directors and in such manner and in all respects as may be determined by the Board of Directors of the Company.

Except Managing/Whole Time Directors/Key Managerial Personnel of the Company/their relatives, all the Directors and their relatives to the extent of their shareholding interest, if any, in the Company are concerned or interested in the Resolution.

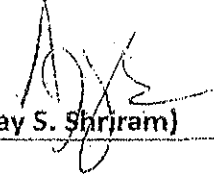
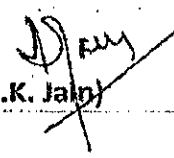
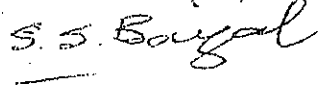
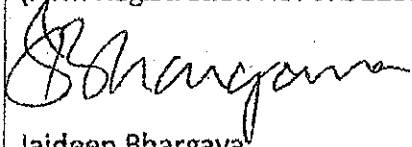
The Board recommends the Special Resolution as set out at Item No. 18 of the Notice for approval by the Shareholders.

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**FORM A**  
(Pursuant to Clause 31(a) of Listing Agreement)

S. No.	Particulars	Details
1.	Name of the Company	DCM Shriram Limited (Formerly DCM Shriram Consolidated Limited)
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	No Qualification or matter of emphasis has been included in the Audit Report.
4.	Frequency of observation	Not applicable in view of comments in (3) above.
5.	<p>To be signed by:</p> <ul style="list-style-type: none"> <li>• Managing Director</li> <li>• CFO</li> <li>• Audit Committee Chairman</li> <li>• Auditor of the Company</li> </ul>	<div style="text-align: center;">   (Ajay S. Shriram) </div> <hr/> <div style="text-align: center;">   (J.K. Jain) </div> <hr/> <div style="text-align: center;">   (S.S. Bajjal) </div> <hr/> <p>Refer our Audit Report dated April 28, 2014 on the standalone financial statements of the Company</p> <p><b>For DELOITTE HASKINS &amp; SELLS</b>  Chartered Accountants  (Firm Registration No. 015125N)</p> <div style="text-align: center;">   Jaideep Bhargava  (Partner)  (Membership No. 90295 ) </div> <p>New Delhi,  April 28, 2014</p>