



## **DCM SHRIRAM**

BSE Limited Phiroze JeeJeeBhoy Towers, Dalal Street, Mumbai – 400 001	National Stock Exchange of India Ltd., “Exchange Plaza”, 5 <sup>th</sup> Floor, Plot No. C-1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai: 400 051
<b>SCRIP CODE: 523367</b>	<b>SCRIP CODE: DCMSHRIRAM</b>

Kind Attn: Department of Corporate Communications/ Head Listing Department

Sub: Annual Report for the Financial Year 2016-17 pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015

Dear Sir(s),

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, please find enclosed Annual Report for the Financial Year 2016-17 duly approved and adopted in the 28<sup>th</sup> Annual General Meeting (AGM) of DCM Shriram Limited, held on Tuesday, the 1<sup>st</sup> August, 2017 at 11.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi.

This is for your information and records.

Thanking you,

Yours faithfully  
For DCM Shriram Limited



(Sameet Gambhir) ★  
Company Secretary

Dated: 2.8.2017

Encl.: As above

### **DCM SHRIRAM LTD.**

Registered and Corporate Office: 1st Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi - 110001, India  
Tel: +91 11 23316801 Fax: +91 11 23318072 e-mail: response@dcmshriram.com website: www.dcmshriram.com  
CIN No. L74899DL1989PLC034923 • (Formerly DCM Shriram Consolidated Ltd.)

# TRUST GROWS



ANNUAL REPORT 2016-17



DCM SHRIRAM LTD.

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# Corporate Information

## Registered Office

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

## Bankers

Punjab National Bank  
 State Bank of India  
 HDFC Bank Limited  
 Standard Chartered Bank  
 Kotak Mahindra Bank Limited

## Statutory Auditors

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

## Cost Auditors

M/s. Bahadur Murao & Co.,  
 Cost Accountants,  
 New Delhi  
 M/s. J.P. Sarda & Associates,  
 Cost Accountants,  
 Kota (Rajasthan)

## Board of Directors

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

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

Mr. Ajit S. Shriram  
*Joint Managing Director*

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

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

Mr. Pradeep Dinodia  
*Non-Executive Independent Director*

Mr. Vimal Bhandari  
*Non-Executive Independent Director*

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

Ms. Ramni Nirula  
*Non-Executive Independent Director*

Mr. Pravesh Sharma  
*Non-Executive Independent Director*

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

Mr. Sharad Shrivastva  
*LIC Nominee*

## Company Secretary

Mr. Sameet Gambhir

## Board Audit Committee

Mr. Pradeep Dinodia  
*Chairman*

Mr. Sunil Kant Munjal

Ms. Ramni Nirula

Mr. Pravesh Sharma

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

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

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

(It is confirmed that annual listing fee for the financial year 2017-18 has been paid by the Company to the above Stock Exchanges.)





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

# CMD/VCMDs Message

Dear Friends,

We are pleased to report a steady growth in our financial and operating performance in the year gone by. The strong performance by Sugar and Chemicals business, stable performance by other businesses and rationalization in our Agri-input trading business have led to significant improvement in our operating margins. Our healthy cash-flows and strong balance sheet with low leverage has enabled us to make further investments that will contribute to the future growth of the company.

We have successfully completed our capacity expansion projects in Chemicals and Sugar (co-gen) business in FY 2017. In the current year, we are adding further capacity in Chemicals, setting up a distillery in Sugar business and expanding capacity for Fenesta business. These investments along with our focus on cost optimization across all the businesses and volume expansion in Bioseed and Shriram Farm Solutions will provide satisfactory growth in coming years.

India is amongst the fastest growing major economy in the world and is likely to maintain high growth over medium to long term. The increase in investments in infrastructure, rural development and

agriculture by government augur well for sustained growth in our businesses. We are taking all steps to participate in these opportunities.

Our employees are our biggest strength. Building capability of employees has always been a significant focus for us to enhance business performance on a sustained basis. It is the company's endeavor to develop a culture that promotes innovation, learning and development.

As a responsible corporate citizen, we are committed to give back to society. We are actively engaged in initiatives in the areas of education, health, water conservation and rural infrastructure and have executed projects to make impact in all these areas.

We would like to take this opportunity to thank all our stakeholders – members of the board, business associates, employees, suppliers, government agencies, lenders and shareholders – who have contributed to the growth and development of our company over the years. With their cooperation, we are confident of delivering superior value to all stakeholders.

With best wishes,



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



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

# Our Businesses

## 1. Chloro-Vinyl Businesses:

- I. **Chlor- Alkali:** DCM Shriram's Chlor-Alkali (Chemicals) business comprises Caustic Soda (Lye and flakes), Chlorine and associated chemicals including Hydrochloric acid, Stable Bleaching powder, 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 completed capacity expansion at the Bharuch plant in FY 17 taking the total caustic soda capacity to 1343 TPD from 780 TPD.

- ii. **Plastics Business:** A highly integrated business, located at the Kota plant, it involves manufacturing of PVC resins and Calcium Carbide with captive production of Acetylene, Chlorine and Coal based power.



## 2. Sugar:

This business comprises 4 plants in Central U.P. with a total capacity of 33,000 TCD. The business is supported by a Co-gen power capacity of 111 MW (expanded in FY 17 from 94.5 MW earlier).

The company has announced a new project of 150 KLD distillery at the Hariawan sugar plant, which will be completed by FY 18.





### 3. Agri-Input Businesses:

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



### 4. Other Businesses

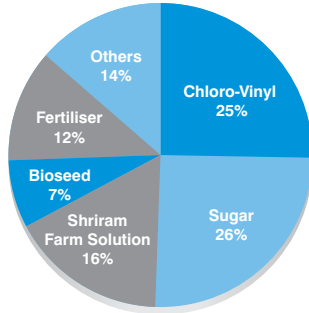
- i. **Fenesta Building Systems** manufactures UPVC (Un-Plasticized PVC) windows and door systems under the brand “Fenesta”. The business offers complete solutions starting from Design, Fabrication to Installation at the customer's site. As a part of its marketing initiatives, the business has set up nine self-owned Fenesta branded showrooms in nine cities across India.
- ii. **Cement:** The company's cement business is located at its Kota plant with a manufacturing capacity of 4 lakh MT per annum. The cement business leverages the waste generated from the Calcium Carbide production process to produce cement.
- iii. **PVC Compounding:** The business operates under a 50:50 Joint Venture with Axiall LLC (now a Westlake company, USA). The business' PVC compounding capacity is 32,564 MT / Annum.
- iv. **Hariyali Kisaan Bazaar:** The Company has rationalized this business and discontinued the retail operations except for sale of fuel.



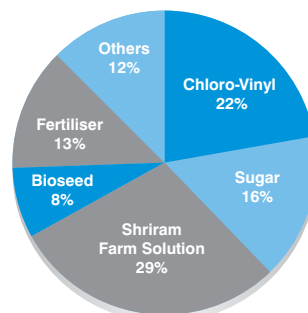


# Business Mix

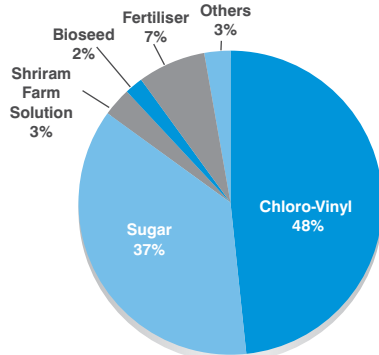
**Segment Revenue (FY 17)**



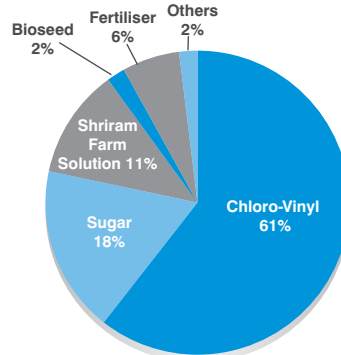
**Segment Revenue (FY 16)**



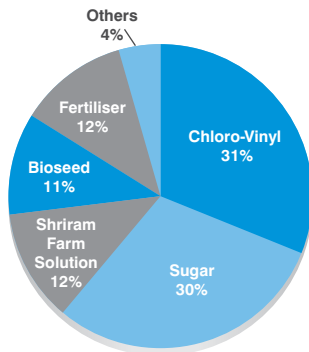
**Segment PBDIT (FY 17)**



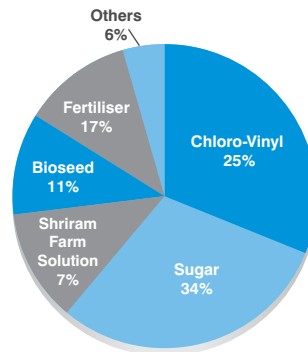
**Segment PBDIT (FY 16)**



**Segment Capital Employed (FY 17)**



**Segment Capital Employed (FY 16)**



# Financial Highlights

(Rs. Crores)

Financial Highlights										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Gross Revenue</b>										
- Own Products	2407.1	2891.9	2682.3	2683.4	3409.6	4087.0	4444.3	4157.2	3969.5	4843.5
- Traded	363.0	789.5	947.7	1595.7	1794.1	1683.2	1986.9	1693.2	2014.5	1242.9
- Other Operating Income				16.8	33.0	22.0	23.2	32.9	46.3	30.8
Gross Revenue from operations	2770.1	3681.4	3630.0	4295.9	5236.6	5792.1	6454.4	5883.3	6030.2	6117.2
Net Revenue from operations	2573.9	3500.8	3519.1	4151.3	5039.2	5538.9	6182.2	5639.2	5780.5	5788.5
PBDIT	218.0	400.3	367.6	231.9	364.8	574.1	558.9	450.3	545.6	817.9
Finance Cost	87.6	150.4	88.6	103.9	160.3	154.8	148.6	111.8	85.4	71.4
PBDT	130.4	249.9	279.0	128.0	204.5	419.2	410.3	338.6	460.2	746.4
Depreciation & Amortisation	123.7	148.7	163.0	160.0	156.9	146.8	137.9	110.2	98.0	113.7
PBT	6.7	101.1	116.1	-32.0	47.6	272.5	272.4	228.4	362.3	632.7
Exceptional Items	779.6		6.5		-38.1	-53.6				
Profit After Tax*	-1.3	122.6	84.3	-14.3	11.9	202.9	242.4	210.8	301.8	551.7
Cash Profit**	126.6	241.9	267.8	125.5	202.9	406.3	360.4	318.8	397.0	705.6
Share Capital - Equity	33.3	33.3	33.3	33.3	33.3	33.3	32.8	32.6	32.6	32.6
Net Worth	1149.3	1268.5	1329.6	1306.4	1315.2	1495.4	1686.6	1858.5	2093.1	2529.8
Long Term Loans	991.0	1234.4	1090.0	919.6	965.7	836.7	746.4	421.0	337.2	565.6
Short Term Loans	792.5	752.7	370.9	771.6	852.7	720.4	430.9	338.9	727.1	508.3
Total Loans (Gross)	1783.4	1987.1	1460.9	1691.3	1818.4	1557.1	1177.3	759.8	1064.3	1073.9
Total Loans (Net)	1755.6	1943.1	1503.1	1685.0	1571.3	1435.9	683.1	688.3	1057.5	928.0
Total Assets	3634.3	4042.7	3654.2	3885.9	4628.6	4751.2	4852.3	4416.7	5007.1	5573.9
<b>Earnings per share (Rs.) ***</b>	-0.1	7.4	5.1	-0.9	2.6	15.3	14.6	13.0	18.6	34.0
<b>Dividend per share (Rs.)***</b>	3.3	0.8	0.8	0.4	0.4	1.6	2.0	2.2	3.2	5.8

Ratios										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Return on Net Worth (%)	-	10.1	6.5	-	0.9	14.4	15.2	11.9	15.3	23.9
PBDIT to Net Sales (%)	8.5	11.4	10.4	5.6	7.2	10.4	9.0	8.0	9.4	14.1
PAT to Net Sales (%)	-	3.5	2.4	-	0.2	3.7	3.9	3.7	5.2	9.5
Total Loans (Gross) / PBDIT	8.2	5.0	4.0	7.3	5.0	2.7	2.1	1.7	2.0	1.3
Total Loans (Gross) / Net Worth	1.6	1.6	1.1	1.3	1.4	1.0	0.7	0.4	0.5	0.4

- Figures are based on consolidated financials.
- From April 1, 2016, the Company adopted Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs. Hence, the financials from FY 2016 onwards are in accordance with IND AS
- \*Profit for the year 2008 is before exceptional items; \*\* Cash Profits are before exceptional items; \*\*\*On face value of Rs. 2 per share

## Our Core Values and Beliefs

At DCM Shriram Ltd. 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.

### Openness & Learning

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

### Governance & responsibility

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

### 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.

### Respect & Human Dignity

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



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

**Mr. Ajay S. Shriram**, Chairman & Senior Managing Director (DIN: 00027137), is a Director of the Company since 24.7.1989. He is the Chairman of Corporate Social Responsibility Committee & Board Finance Committee and the Member of Nomination, Remuneration & Compensation Committee and Stakeholders Relationship Committee of the Company. He graduated in Commerce from Sydenham College, University of Mumbai and later attended the Programme for Management Development at the Harvard Business School, U.S.A. He is the Chairman of the Governing Body of Shriram College of Commerce (SRCC) and Indian Institute of Management (IIM), Sirmour (H.P.). He is also a Member of the Board of Governors of Indian Institute of Corporate Affairs (IICA). He has been the President of Confederation of Indian Industry (CII) (2014-15) and has also been the President & Chairman of International Fertilizer Industry Association (IFA), Paris (2009-11). He has recently been conferred with Degree of Doctor of Letters (Honoris Causa) by BML Munjal University.

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

**Mr. Ajit S. Shriram**, Joint Managing Director (DIN: 00027918), is a Director of the Company since 2.5.2001. He is the Member of Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Board Finance Committee of the Company. He joined the Company in 1991 as an Executive after graduating in Commerce from Osmania University, Hyderabad. Later, he obtained an M.B.A. Degree from the International Institute for Management Development, Switzerland. He has been the President of the Indian Sugar Mills Association (ISMA) (2013-14) and is a Director of Indian Sugar Exim Corporation Ltd. (ISEC).

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

**Dr. N.J. Singh**, Whole Time Director (EHS) (DIN: 01893202), is a Director of the Company since 20.11.2007. He joined the Company in 1983 as Pollution Control Engineer. He holds M.Sc., Ph.D. degrees and had worked as DGM (Tech. Services), General Manager (EHS) with the Company at Kota and Chief Executive, Shriram Environment & Allied Service at Gurgaon. He is also the Occupier of the factories of the Company. He is the Member of Environment Committees of CII & FICCI and Environment Advisory Committee of FAI. He is also the Chairman of SHE Committee of Northern Region – Indian Chemical Council.

**Mr. Pradeep Dinodia**, is a Non-Executive Independent Director (DIN: 00027995) of the Company. He is on the Board of the Company since 18.7.1994. He is the Chairman of Stakeholders Relationship Committee, Board Audit Committee and Nomination, Remuneration & Compensation Committee of the Company. He graduated in Economics with Honours from St. Stephens College, Delhi University and obtained his Law Degree from the same University. He is a Fellow Member of The Institute of Chartered Accountants of India and senior partner in the Delhi-based Chartered Accountancy firm i.e. M/s. S.R. Dinodia & Co. LLP.

**Mr. Vimal Bhandari**, is a Non-Executive Independent Director (DIN: 00001318) of the Company. He is on the Board of the Company since 13.5.2003. He is a Member of Nomination, Remuneration & Compensation Committee of the Company. He graduated in Commerce from Sydenham College, University of Mumbai and is a Member of The Institute of Chartered Accountants of India.

**Mr. Sunil Kant Munjal**, is a Non-Executive Independent Director (DIN: 00003902) of the Company. He is on the Board of the Company since 13.5.2003. He is the Member of Board Audit Committee, Corporate Social Responsibility Committee and Nomination, Remuneration & Compensation Committee of the Company. After his graduation, he underwent training in the field of Mechanical Engineering. Presently, he is the Chairman of Hero Corporate Service Pvt. Ltd. He has been the President of Confederation of Indian Industry (CII) and the Member of Prime Minister's Council on Trade & Industry. He is at present President of All India Management Association (AIMA). In 2016, he won the Jehangir Ghandy Medal for Social and Industrial Peace by XLRI, Jamshedpur. In the same year, he was conferred a D. Lit by SRM University, Chennai.

**Ms. Ramni Nirula**, is a Non-Executive Independent Director (DIN: 00015330) of the Company. She is on the Board of the Company since 3.2.2015. She is a Member of Board Audit Committee of the Company. She retired as Sr. General Manager of ICICI Bank Ltd. and has more than 3 decades of experience in the financial services sector. Beginning her career with erstwhile ICICI Ltd. in 1976 in project appraisal division, she has held various leadership positions since then. She was a part of top management team instrumental in transforming ICICI Bank from a term lending institution into technology led diversified financial services group with a strong presence in India's retail financial services market.

**Mr. Pravesh Sharma**, is a Non-Executive Independent Director (DIN: 02252345) of the Company. He is on the Board of the Company since 9.8.2016. He is a Member of Corporate Social Responsibility Committee and Board Audit Committee of the Company. He is a former IAS officer and has an overall working experience of more than 34 years in food security, agriculture, rural finance, rural development and natural resources management. He has served on a five-year UN assignment (2001-2006) with the International Fund for Agriculture Development. During his service he worked for 3 years in the Prime Minister's Office.

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

**Mr. Sharad Shrivastva**, a nominee of Life Insurance Corporation of India (LIC), is a Non-Executive Director (DIN: 01271854) of the Company. He is on the Board of the Company since 2.7.2014. He is Graduate from Allahabad University & Associate Member of Insurance Institute of India. He joined LIC in the year 1983 and has worked in various branches, Divisional Offices, LIC Housing Finance Ltd., Insurance Institute of India and Zonal Manager, North Central Zone since then. Now he is working at the Corporate office of LIC of India as Executive Director (Personnel).



## 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:

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**Mr. Ajay S. Shriram**

Chairman & Senior Managing Director

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**Mr. Vikram S. Shriram**

Vice Chairman & Managing Director

---

**Mr. Ajit S. Shriram**

Joint Managing Director

---

**Mr. K.K. Kaul**

Whole Time Director

---

**Dr. N.J. Singh**

Whole Time Director (EHS)

---

**Mr. A.K. Awasthi**

Chief Executive – Hydro Business

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**Mr. Sovan Chakrabarty**

Executive Director – Shriram Farm Solutions

---

**Mr. J.K. Jain**

Executive Director & CFO

---

**Mr. R.L. Tamak**

Executive Director – Sugar Business

---

**Mr. Anil Kumar**

Executive Director – Chemicals Business

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**Dr. Sharad Sharma**

President – Bioseed South Asia

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**Dr. Paresh Verma**

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

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**Mr. Rajesh Gupta**

President & Head – Corporate Strategy

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**Mr. Sushil Baveja**

President & Head – Corporate HR

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**Mr. Premdas Satsangi**

President & Business Head – Plastics & Power

---

**Mr. Aditya A. Shriram**

President – Chemicals Business

---

**Mr. Saket Jain**

Business Head – Fenesta™ Building Systems

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**Mr. Vinoo Mehta**

Senior Vice President and Business Head – Cement

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**Mr. B.B. Gupta**

Head – Internal Audit & Risk Management

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**Mr. Ankush Kaura**

Chief Information Officer

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**Mr. Sameet Gambhir**

Company Secretary

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**Subsidiaries**
**Mr. Sanjeev Bhambi**

Country Head – Bioseed Vietnam Ltd.

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**Mr. Devadatta Sirdeshpande**

Country Head – Bioseed Research Philippines Inc.

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**Mr. Joseph Abraham Anand**

Country Head – PT. Shriram Seed, Indonesia

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**Joint Venture**
**Mr. Rajiv Arora**

President & Business Head – Shriram Axiall Pvt. Ltd.

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# Management Discussion and Analysis

## Performance Review

During the year the Company witnessed growth in financial as well as operating performance. The healthy performance was led by Sugar and Chemicals business. Bioseed India, Fenesta, Cement and Fertilizer businesses also contributed to higher earnings. The Company completed capacity expansion projects for Chlor-Alkali (incl. captive power) at Bharuch & Power Cogeneration at Sugar business at total investments of ~Rs. 700 crores. These plants have stabilised and have started contributing to the earnings of the Company. Our cash generation and Balance sheet are comfortable which enables us to look at further growth initiatives

Total Revenue from operations stood at Rs. 6117.2 crores vs Rs. 6030.2 crores last year.

- ✦ **Sugar Business** revenue was up 65% to Rs 1601 crores with higher volumes and realizations.
- ✦ **Chemicals business** revenue grew by 22% to Rs 1011.5 crores driven by higher volumes from expanded capacity at the Bharuch (Gujarat) plant
- ✦ **Agri Input businesses'** revenues (excluding DAP/MOP) were down ~7% YoY at Rs. 2236 crores led by lower volumes
- ✦ **Bulk Fertiliser - DAP / MOP** - trading activity was suspended in the current year. Last year revenue from DAP/MOP stood at Rs. 688 crores. Excluding DAP / MOP, overall revenues grew by 14.6% YoY
- ✦ Profit before depreciation, interest and tax improved to Rs. 817.9 crores up 50%, driven by
  - ✦ **Sugar Business** PBDIT stood at Rs. 342.2 crore an increase of Rs. 229.3 crore over last year. This was achieved by higher volumes of sugar & power and better margins
  - ✦ **Chemicals Business** PBDIT stood at Rs. 328.3 crore an increase of Rs. 53.7 crore over last year, led by higher volumes from expanded capacity at Bharuch (Gujarat) plant. Rising cost of captive power due to higher coal prices and low prices of Chlorine restricted the improvements.
  - ✦ **Bioseed India, Fenesta, Cement and Fertilizer** businesses also contributed to improvement in earnings
  - ✦ Overall **PBDIT margins** improved to ~13% from ~9% last year
- ✦ **Finance Costs** – Finance costs during FY 17 declined by 16% to Rs. 71 crores.
- ✦ **PAT** increased to Rs 551.7 crores, up 83% from Rs 301.8 crores in FY 16.
- ✦ **EPS** for the year at Rs 34.0 up from Rs 18.6 in FY 16.
- ✦ **Net Debt** as on March 31, 2017 stood at Rs. 928 cr vis-à-vis Rs. 1057 cr as on March 31, 2016. Net Debt to equity stood at 0.37x as on March 31, 2017 vs 0.51x as on March 31, 2016.
- ✦ In the Standalone accounts (no impact on Consolidated financials), the company has taken a write-down of Rs. 85.12 cr in the value of investments in Bioseed International business, keeping in view the longer gestation period and higher losses over last few years due to one time inventory write offs.

- ✦ The Board of directors have recommended a **total dividend** of 290% for FY 17 as compared to 160% in previous year
- ✦ **Projects Completed** in FY 17 at an investment of ~ Rs. 700 cr.
  - ✦ Chemical capacity increased from 780 tpd to 1343 tpd
  - ✦ Coal based captive power capacity increased from 188 MW to 248 MW
  - ✦ Bagasse based co-gen power expansion from 94.5 MW to 110.9 MW
- ✦ **New Projects** – The following projects currently underway, progressing as per schedule, to be completed by Q4 FY 18
  - ✦ Chlor-Alkali – Expansion project at Kota plant at an investment of Rs. 97.5 cr
  - ✦ Sugar – 150 KLD distillery at Hariawan unit, at an investment of Rs. 185 cr
  - ✦ Fenesta – Expansion of fabrication capacity at an investment of Rs. 18.5 cr.

## Business – Wise Performance Review and Outlook

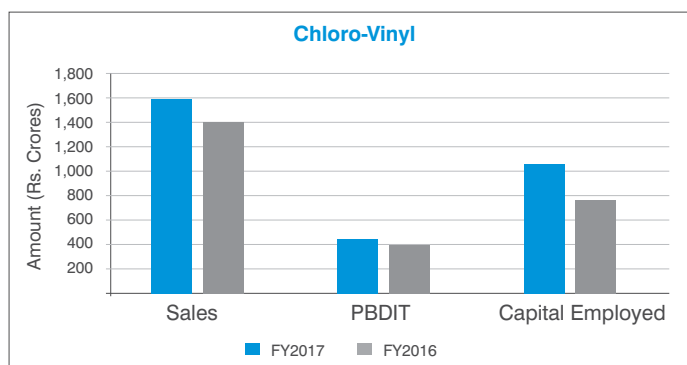
### Chloro – Vinyl Businesses

DCM Shriram's Chloro-Vinyl business is highly integrated supported by 203 MW coal based power facilities (part of 359 MW captive power capacity in the Company). This business has multiple revenue streams with Chlor-Alkali (Caustic Soda and Chlorine), Plastics (PVC resins and Calcium carbide). These multiple revenue streams lend stability to Chloro-Vinyl operations.

### Business Performance

The Revenue, PBDIT and Capital employed for this business for FY 17 is as follows:

Particulars	FY 17 ( Rs/Crores)	FY 16 ( Rs/Crores)
Revenue	1,584.2	1,379.0
PBDIT	448.1	390.8
Capital employed	1,047.7	759.7



- ✦ Chloro-Vinyl segment's revenue stood at Rs. 1,584 crores as compared with Rs. 1,379 crores in FY 16. The improvement was a result of higher Chlor-alkali volumes post completion of expansion project, in the third quarter. Plastics business had stable volumes.
- ✦ Selling prices of Chlor-Alkali were lower on account of lower Chlorine prices. PVC prices were firm in line with international prices.
- ✦ Input costs of Power and carbon material have risen, impacting the margins. Operating efficiencies have improved especially power consumption in Bharuch, post completion of expansion and modernization

### Chlor-Alkali

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

The company operates manufacturing facilities at Kota (Rajasthan) and Bharuch (Gujarat). Company has been able to successfully complete its expansion project at Bharuch in 2016-17, taking the aggregate production capacity of the Company to 1343 TPD. Caustic Soda flaking capacity was enhanced from 150 TPD to 350 TPD and an additional 60 MW captive Power Plant was commissioned to support expanded capacity. Now, DCM Shriram is the second largest manufacturer in the domestic Chlor-Alkali Industry and the Bharuch facility is the largest single location Chlor-alkali manufacturing unit in India. Both the manufacturing units have access to 100% captive power, based on coal.

### Business Performance

The Revenue, PBDIT and Capital Employed for this business for FY 17 along with quantitative data are as follows:

Particulars	FY 17 ( Rs/Crores)	FY 16 ( Rs/Crores)
Revenue	1,011.5	827.4
PBDIT	328.3	274.5
Capital employed	898.3	625.4

Year	Sales (MT)	Realizations (Rs./MT)
FY 17	3,31,361	23,882
FY 16	2,63,638	24,906
%Change	25.7	(4.1)

Operations at both Kota and Bharuch facilities continued to run optimally driven by higher production along with improving cost efficiencies. Chlor Alkali revenue increased by 22% YoY in FY 17, mainly on account of higher volume from our Bharuch unit post completion of capacity expansion project in October 2016. Energy costs are on an increasing trend. However power efficiency at Bharuch unit has improved significantly post expansion and up-gradation project. Realisations were lower resulting from weak chlorine prices, impacting margins.

### Industry Overview and Outlook

The Chlor- Alkali industry in India has 35 operating units with a combined installed capacity of 3.7 million Tons per annum of Caustic Soda. The Top three players comprise about 45% of the total installed capacity. The domestic demand for Caustic Soda and Chlorine in 2016-17 is estimated to be about 3.6 million TPA and 2.9 million TPA respectively. The imports of Caustic Soda remained same as earlier year. The demands of both the products are linked to the Indian GDP growth because these products are considered as the building blocks of various other industries. As GDP is poised for a higher growth, the demand of these products is also expected to increase.

### Our Strategy

Company remains committed to capitalize on the growing demand in the sector by constant upgrading of production capacities. Post expansion in October 2016, capacity utilization at Bharuch facilities was 77% for Q4 FY17 and plan to increase it further in 2017 as chlorine market improves. Capacity expansion at our Kota unit at an investment of Rs. 97.5 cr is progressing as per plan and is expected to be completed in Q4, 2018. The Company is exploring possibilities to increase the portfolio of chlorine downstream products to strengthen our capability to manage fluctuations in chlorine prices and further strengthen the business.

### Plastics

The business is involved in the manufacturing of PVC Resins and Calcium Carbide. The Plastics business is an integral part of the Chlor-Vinyl manufacturing facility at Kota with integration in terms of Captive Power, Chlorine and Calcium Carbide. The Company 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 Calcium Carbide manufactured by the company is partly sold and partly used for the manufacture of PVC Resins. The business has swing capability to sell more of PVC or Calcium carbide depending on the return per unit of power consumed by these products.

Imports now meet almost 50% of India's PVC demand. 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. Almost 73% of PVC resins are used for producing PVC pipes in India, mainly in agriculture & construction. 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. Applications other than pipes such as packaging, profiles, pharmaceutical segments are also poised for

higher growth. India's per capita PVC consumption is ~2.3 Kg which is low compared to ~11.8 Kg in US & over 10 Kg in China. With Steady rise in demand, high dependence on imports & promising prospects in the downstream agriculture & construction sectors, India is likely to remain at the forefront of the global PVC market.

#### Business Performance

The Revenue, PBDIT and Capital employed for this business for FY 17 along with the quantitative data is as follows:

Particulars	FY 17 ( Rs/Crores)	FY 16 ( Rs/Crores)
Revenue	572.2	551.6
PBDIT	119.8	116.2
Capital employed	149.4	134.3

Year	PVC Resins		Carbide	
	Sales (MT)	Realizations (Rs./MT)	Sales (MT)	Realizations (Rs./MT)
FY 17	55,892	71,151	23,591	43,336
FY 16	58,244	64,941	22,701	43,180
% Change	(4.0)	9.6	3.9	0.4

Plastic business' revenue stood at Rs 572.7 Crores in FY 17, compared to Rs 551.6 Crores in FY 16. The ex-works realizations were better in FY 17 as compared with FY 16. The business undertook several initiatives during the year towards cost reduction such as use of cheaper carbon mix, reduction in power consumption and improved maintenance practices. These initiatives helped in mitigating the cost push as the costs of raw materials, particularly Carbon material and Power saw a significant increase when compared to FY 16.

#### Industry Overview & Outlook

India's PVC resin installed capacity currently stands at around 1.4 million Metric Ton per annum (MTPA). As against this, domestic demand has been growing steadily and has reached ~2.95 MTPA in FY 17, up 9.3% over last year. The gap in demand and supply, which currently stands at 54.5% of our total demand, is being met by the import of PVC resin. The continued focus of the Govt. on building infrastructure – development of smart cities, rural housing and Agri-asset creation, rapid urbanization and other initiatives like investments in rural sanitation is expected to fuel growth of the PVC industry in India over the next few years. Indian PVC demand is expected to grow at a CAGR of 8 to 10% for the next 5 years.

The Calcium Carbide demand in India is around 92000 MT p.a., we are currently having 25% of the market share in the country, up from 23% last year. Around 43% of India's demand is met by Imports, majorly from China which satisfies Southern & Western India's demand.

#### Our Strategy

The company's strategy is to maximize product volumes while ensuring higher net back per unit of Power from the sale of PVC Resin and Calcium Carbide. Company is focused on optimizing its cost structure through learning from global best practices. This enables competitive cost structure and to support business' margins

#### Sugar

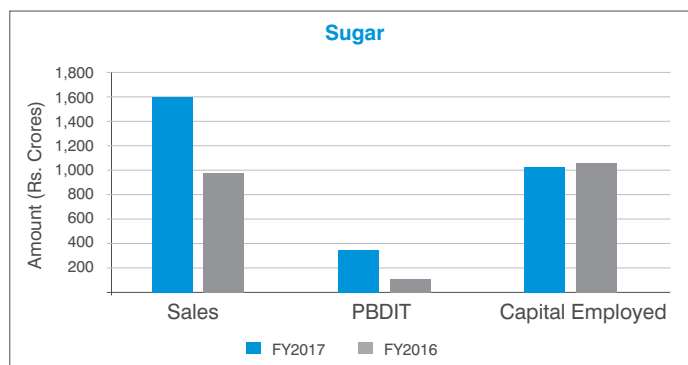
DCM Shriram is a major player in the domestic sugar industry based out of the State of Uttar Pradesh. The company operates four sugar units located in central U.P at Ajbapur (10,500 TCD), Rupapur (6,500 TCD), Hariawan (8,000 TCD) and Loni (8,000 TCD) with a total crushing capacity of 33,000 TCD. These four units have a total power cogeneration capacity of 111 MW of which 62 MW of power can be exported.

#### Business Performance

The Revenue, PBDIT and Capital Employed for this business for FY 17 along with the quantitative data is as follows:

Particulars	FY 17 ( Rs/Crores)	FY 16 ( Rs/Crores)
Revenue	1,601.0	968.2
PBDIT	342.2	113.0
Capital employed	1,018.5	1,036.6

Year	Sales (Lac Quintals)	Realizations (Rs./Qt)
FY 17	36.6	3,527
FY 16	28.2	2,638
%Change	29.7	33.7



#### Operating Parameters

Particulars	Unit of Measurement	2016-17	2015-16
<b>Sugar Season</b>			
Cane Crushed	Lac Quintals	417	282
Recovery Rate	%	11.11	11.11
Sugar Produced	Lac Quintals	46.5	31.3
<b>Financial Year</b>			
Cane Crushed	Lac Quintals	372	292
Recovery Rate	%	11.01	11.13
Sugar Produced	Lac Quintals	40.5	32.5



- ✦ Cane crush during SS 2016-17 at 417 lac qtl vs. 282 lac qtl in the previous season, on account of higher sugarcane yield in the region.
- ✦ During the SS 2016-17, sugar recovery was in line with last season at 11.1% in spite of early start of crushing and extended crushing period which have relatively lower recoveries. The business is focused on further improving cane quantity and quality in sugar season 2017-18.
- ✦ Revenues at Rs. 1601 crores were up by 65% on account of higher volumes and 34% YoY increase in average realizations during the year.
- ✦ PBDIT stood at Rs. 342 crores vs. 113 crores in FY 16. Steady realizations in FY 17, higher recoveries and production, led to earnings improvement during the year.

### Industry Overview and Outlook

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

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

International market has been volatile and the raw sugar prices have reached back to 16 cents/lb levels as in March 2016 after touching 24 cents/lb. Strengthening of Brazilian currency, stable production estimates for Brazil, higher production estimates for China & EU turning a next exporter from 2017-18 are some of the key reasons attributing to this volatility. Indian markets are isolated from the international markets with the trade restrictions and therefore have seen stable domestic prices.

This year, Indian sugar industry witnessed a revival from the preceding depressed years. Central as well as State Governments are to be credited for this success for the initiatives undertaken in the preceding years along with the rationale policies adopted in sugar season 2016-17. A balanced demand supply situation in India also supported the initiative and ensured that sugar prices remained reasonable at around 35 Rs/kg to 37 Rs/kg throughout the year.

We expect the State as well as Central government will continue these rational policies which are in the long term interest of the Industry and the farmer.

### Our Strategy

The business has moved ahead on being fairly integrated complex with the commissioning of cogen project at Ajbapur & laying the foundation for 150 KLD distillery at Hariawan complex. The business also continues its focus on improving productivity and quality of sugarcane benefitting both

farmers in terms of higher yields and mills in terms of better recoveries. This measure is being supported by dedicated cane development efforts focused at empowering and equipping our farmers with latest technologies and improved agronomy practices.

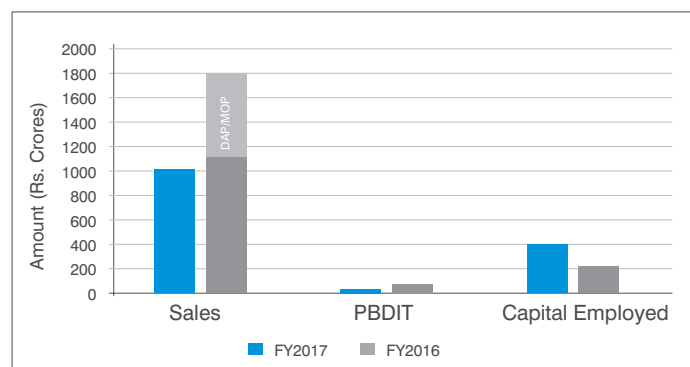
### Shriram Farm Solutions

The business strives to provide complete solutions to the farmer ranging from products to agronomy. The product portfolio includes 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 SSP & NPK. 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. 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 supported by a strong distribution network spread across 17 states, reaching out to ~ 1.0 million farmers and ~ 35,000 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, PBDIT and Capital employed for this business for FY17 are as follows:

Particulars	FY 17 ( Rs/Crores)	FY 16 ( Rs/Crores)
Revenue	1,015.7	1,798.5
PBDIT	29.0	73.2
Capital employed	399.0	216.0



- ✦ Revenues in FY 17 stood at Rs. 1,016 crores, down from Rs. 1,799 crores last year. This was on account of rationalisation of bulk business (DAP/MOP) during the year, impact of Rs. 688 crs (sales of FY 16). Revenue of the 'Value Added' inputs vertical went down by 6% mainly on account of agro-economic environment in the country.

- ✦ PBDIT for FY 17 was down by 60% YoY to Rs. 29 crores primarily due to lower margins in the bulk as well as Value added business.
- ✦ Higher subsidy outstanding as well as extended working capital cycle contributed to the rise in capital employed during the year

The year came with good monsoon, with timely rains and good geographical distribution. The recharge of reservoirs across the country was excellent. Except for Cotton, area under almost all other crops registered significant growth over previous year. In Kharif 2016 there was a record production of food grain which was about 9% higher than last year. The crops in both seasons remained healthy and largely disease-pest free due to favourable climatic conditions. Unlike a good agrarian condition, the economic elements were not that bright. Constrained cash flow of last two years forced the trade channel to curtail their credit exposure with the farmers and affected consumption of agri-inputs. Things depended a lot on Kharif harvest and the corresponding cash inflow for revival. The decision of demonetisation came at a time when the Kharif production was coming to the mandis and farmers were preparing for Rabi crop. This further dampened the economic sentiments and curtailed cash flow in the market. The agri-input consumption was further pushed down.

With better monsoons and harvest in last Kharif season, and expectation of a normal monsoon this season by IMD, the volumes and margins for 'value added' vertical in the current season are expected to improve

### Our Strategy

Company is focused on driving growth in the 'Value Added' vertical through marketing initiatives, product portfolio and procurement initiatives. To ensure sustainable growth over the medium term, the business is strengthening its product portfolio, leveraging latest technology, strengthening the extension and market development program and is beefing up its supply chain network.

We believe, that these steps will enable the business to achieve healthy growth in the medium term especially in the 'Value Added inputs' segment.

### Bioseed

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

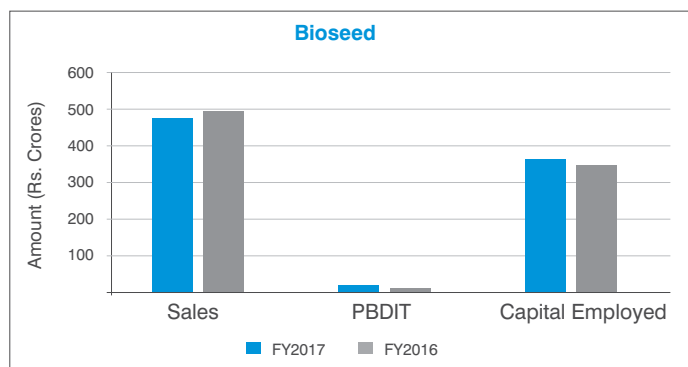
The key crops that we deal in India comprises of BT cotton, Corn, Paddy, Vegetables among others. In international markets of Philippines, Indonesia and Vietnam we deal primarily in corn and are developing market for paddy. Our distribution network is wide spread across regions and continues to grow as we increase our volumes.

We have our research stations in all major agro-climatic regions, to cater to farmers in the respective regions. We spend about 8-10% of our revenue on research activities. This has led to a healthy product pipeline. The product development is not only focused on providing high yielding hybrids, but also meeting other challenges, such as pest resistance, disease tolerance, salinity and drought tolerance. The Company has got into various research alliances to further strengthen its capabilities.

### Business performance

The Revenue, PBDIT and Capital employed for this business for FY17 are as follows:

Particulars	FY 17 ( Rs/Crores)	FY 16 ( Rs/Crores)
Revenue	469.8	488.4
PBDIT	19.9	13.5
Capital employed	359.2	342.4



Bioseed Revenues in FY 17 stood at Rs 470 crores vs. Rs 488 crores last year. This decline in revenue was driven by the reduction of our major product in India, BT cotton and adverse agro-climatic conditions in India and other SE countries for two earlier successive years impacting sales volumes. The Indian operations witnessed a decline in revenue to Rs. 408 crores from Rs. 436 crores last year. The year witnessed decline in sowing of cotton seed in India by approximately 12% that impacted offtake of our hybrid cotton seeds. Lower volumes impacted the earnings as well as margins.

In International operations, the volumes in Philippines and Indonesia have improved however Vietnam will take more time to improve its performance. The company has taken write-down of Rs 85.12 cr in the value of investments in Bioseed International business in the Standalone accounts (no impact on Consolidated financials), keeping in view the longer gestation period and higher losses over last few years due to one time inventory write offs.

### Our Strategy

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

The business is strengthening its product portfolio and intensifying marketing efforts to create a demand pull for its products. The trade channel is also being enhanced.

International operations are going through tough times over last couple of years. We now expect that normal monsoons and new products introduced in the market last year should drive growth in the International operations.

### FERTILIZER (UREA)

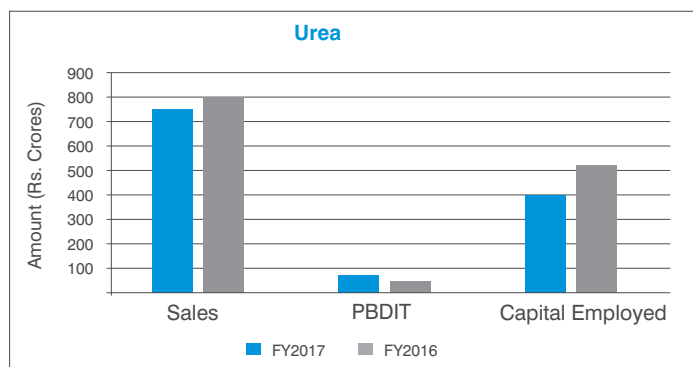
The company's Urea plant located at its integrated manufacturing complex at Kota, Rajasthan, is one of the oldest plants in the country with a reassessed capacity of 3,79,500 TPA of Urea. The company markets its products under the "Shriram Urea" brand. "Shriram Urea" a trusted name and enjoys high brand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

### Business Performance

The Revenue, PBDIT and Capital employed for this business for FY17 along with the quantitative data is as follows:

Particulars	FY 17 ( Rs/Crores)	FY 16 ( Rs/Crores)
Revenue	746.8	800.4
PBDIT	64.5	40.2
Capital employed	394.4	519.3

Year	Sales (MT)	Realizations (Rs./MT)
FY 17	3,94,907	18,221
FY 16	3,99,834	19,979
%Change	(1.4)	(8.8)



The business earning increased vis-a-vis last year due to realization of arrears on account of revision of notified prices for previous years and improved energy consumption during the year.

### Industry Overview and Outlook

India is the second largest producer and consumer of Urea in the world. Urea is most preferred fertilizer and constitutes about 81% of entire 'N' fertilizer consumption in the country. Low farm gate price (fixed by government) and high nitrogen content has made it a preferred choice of the farmers. The demand and consumption of Urea has been growing and

the gap in demand/supply is currently being met by imports. During 2016-17, the total Urea production in the country stood at ~ 24.3 million MT and India imported 5.44 Million MT of Urea to meet its demand.

### Our Strategy

The Company has been making continuous efforts towards improvement in energy consumption as well as control on fixed expenses. A lowest ever annual average energy consumption of 7.144 MKCal/MT Urea has been achieved during 2016-17. The business is also gearing up to DBT environment for subsidy.

### Other Businesses

#### Fenesta Building Systems

Fenesta is India's largest UPVC windows and doors brand. Fenesta provides complete integration in terms of design, manufacture, fabrication, installation and service of precision-engineered made-to-order UPVC window and door systems. Fenesta is an end to end service provider right from extrusion of UPVC profiles to installation of windows. The company operates in two segments, i.e 'Retail' and 'Projects' (Institutional). Fenesta continues to enhance its product portfolio to meet customer needs. Strengthening of dealer network has resulted in enhanced presence in cities across India. The Company while focused on 'Retail' Business is also targeting the 'Projects' segment with profitable volume growth.

### Business Performance

During the year, the business witnessed substantial improvement in performance and improved on its profitability at the PBT level.

The revenue stood at Rs. 284 crores in FY17 vs. Rs. 236 crores last year. Overall Sales Volumes have grown by 20% YoY during the year. Sales volumes in FY 17 in 'Retail' and 'Projects' segment grew by 18% and 27%, respectively, over last year. Fenesta achieved 22% Growth in Retail Booking and 102% growth in Project booking.

### Our Strategy

In 'Retail', Our Strategic focus area is to provide Exceptional Customer Experience along with Enhancing Sales Volumes and Offering Comprehensive Product portfolio. Fenesta will be focusing on Geographical Expansion and Channel Expansion. Also various initiatives are being taken to enhance the overall customer experience from enquiry stage to Final Handover

In 'Projects' our focus is on establishing relationship with key accounts (Builders, Commercial, Industrial, Educational Institutions, Hospitality and Healthcare) and continue to achieve profitable growth.

In order to cater to increased volumes, various actions have been initiated to improve the production capacities and capability building across the organisation.

### Cement

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

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

#### Business Performance

Revenue of the cement business stood at Rs. 211 crores vs. Rs 167 crores last year. This increase of 27% was on account of better realizations. While the efficiencies have improved the increase in input costs of coal and power are putting pressure on costs.

#### Our strategy

The business is focused on further improving its efficiencies and optimizing its cost structure along product mix for generating higher returns.

#### Hariyali Kisaan Bazaar

The Company has limited its operations in this business to fuel retailing at the existing outlets. The Retail operations were rationalised in 2013. The company is focused on the sale of remaining properties, which progressed slowly in FY 17 and is expected to take another 2-3 years.

#### PVC Compounds – under Joint Venture

The business is housed in a Company called Shriram Axiall Private Limited which is a 50:50 Joint venture with Axiall LLC USA (a Westlake Company). It is the largest commercial PVC Compounder in India. PVC Compounding business is approximately 5 lac MT per year in India. However only 60-65% business lies with organized players including self compounders. Compounded PVC finds its uses in wires, cables, automotive profiles, rigid transparent applications etc. The business is equipped with modern compounding technologies and testing equipments that enables it to provide a vast range of high quality PVC Compounds to customers in different industries. The business' manufacturing plant has state of the art product development facility known as iPAC (Innovative Plastic Application Center) which provides the company an edge in terms of faster development of new products and service to the customer.

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

#### Business Performance

The business posted a growth of 11% in the overall volumes over last year. The wire and cable segment had growth of 37%, automotive segment had a growth of 6%, Medical segment posted a growth of 17%. The Company has also expanded its geographical reach in UAE and Egypt along with better penetration in west and south and would continue to build volumes in these territories in the coming year.

The Company's total revenues during the year were accounted at Rs. 146.4 crore. The Company plans to expand its reach through exports to the regions of GCC, SAARC and African countries. The Company is exploring new avenues of market segments which would be mainly Engineered Vinyl Products.

#### Opportunities, Threats, Risks and Mitigants

The Company being a conglomerate is exposed to various opportunities and risks.

#### Opportunities:

- + The company has presence in three different verticals
  1. Chloro Vinyl (Basic industrial chemicals/polymers) where Opportunity/growth is linked with overall GDP growth / manufacturing growth. Besides growth in existing business, it offers opportunities for forward integration particularly in chemicals business.
  2. Agri-Inputs
    - + The Agri-inputs business of Bioseed and Shriram Farm solution will have opportunities over medium to long term with rising demand for food in the country along with need for higher productivity and resistance to climate, disease and pests. Approval to GM technology in India for crops such as corn, vegetables as and when it happens, will foster growth of hybrid seeds.
    - + Presence of company's seed business in overseas markets of Philippines, Vietnam and Indonesia provides opportunity to the business to grow along with the growth in Agri sector in these countries
  3. Sugar – forward integration and growth in by-products, Bagasse and molasses
- + The company's Fenesta Building Systems business provides it opportunities in existing windows business through product innovation as well as in related building products.
- + Strong brand in all businesses, which enjoy high level of Trust and Credibility with customers including farmers.
- + Comfortable financials with healthy cash flows and good credit track record provides ability to continuously invest in growth.

#### Risk, threats and mitigants:

- + Businesses such as Sugar, Fertiliser and some parts of Bioseed business are exposed to risk of regulatory intervention. Exposure to these businesses is kept at reasonable level. Further, we alongside with other industry participants and associates work with regulatory agencies on continuous basis to ensure a policy framework which benefits farmers (key stakeholder in all these businesses), consumers and industry.
- + Substantial delay in payment of fertiliser subsidy bills by the Government increases the borrowings and hence the interest costs. The Company manages its working capital and tries to keep overall debt at low levels to enable handling such risks
- + Businesses like Chloro-vinyl are energy intensive. Rising energy costs as a result of rising international and domestic coal prices, freight, duties and levies, is increasing the cost of production. We continuously work and invest in improving our technology, efficiencies, fuel mix and sourcing, to ensure that overall cost of production is competitive.
- + Chemicals, Plastics, Cement and Sugar are commodity products, hence their prices are led by global commodity prices along with domestic demand and supply position. The Company focuses on being amongst the lowest cost producers in these businesses.
- + Compliance - Increasing regulatory enactments has brought in the need for additional compliances. With various statutes and regulations, non-compliance may not only lead to monetary penalties



but also have an impact on the reputation of the organisation and the goodwill it enjoys. The risk is mitigated through regular monitoring and review of changes in the regulatory framework to ensure compliance with all the applicable statutes and regulations.

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

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

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

The Organisation has continued through the entire year its focus on building a great work culture, healthy relationships, enhancing capabilities to drive performance and leading initiatives to make a difference, alongwith creating a culture of vibrancy and high employee engagement. Developing people has been a key agenda for the Organisation like every year because of its ability to drive business performance and outcomes. The commitment of the Organisation towards People is strongly enshrined in the core values and beliefs of the Organisation and the related programs, policies and practices that have got institutionalized over the years.

#### **Productivity and Optimisation**

There has been an ongoing focus on driving productivity and optimization of resources on a sustained basis in the Organisation across all the businesses and units. There have been awareness programs and initiatives in all the businesses around building efficiencies in the entire work spectrum, raising standards of performance, improving quality of products and services and reducing costs. This is seen a key contributor to building competitiveness at the market place. Adoption of the latest IT technology of SAP S4 Hana across the various business processes has been an area of focus to drive significant improvements, process enhancements and raise the overall standard of performance and optimization. There have been various CFTs, action learning projects, ideation initiatives and suggestion schemes to engage with the larger workforce to seek their inputs and involvement to reduce costs, improve productivity and profitability in line with the industry standards and benchmarks.

#### **Capability Building**

Building capability of employees has always been a significant driver of enhancing business performance on a sustained basis in the Organisation. Like every year, the company has continued to invest in imparting new skills, competencies and knowledge of its employees across all the levels in the various businesses. Employees have continued to go through structured training and development programs, attend some of the best in class programs, conferences and seminars. There have been focused efforts on overall upgradation of unique capabilities relevant to the

businesses through structured and systematic learning programs, on the job training, job rotations, multiskilling, projects and assignments. All Competencies across the entire spectrum – technical, functional and behavioural – have been focused as part of the development programs. There have been programs and appreciation sessions to facilitate an effective adoption of the contemporary modules flowing out of S4 Hana IT technology across all the business processes. Talent and leadership development has continued for the high potential employees of the Organisation based on the developmental needs of the individuals and Organisation. Mentoring and coaching programs have continued along with rotations of employees into new and different roles to give them a developmental exposure and learning for better career.

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

One of the most significant interventions, alongwith pursuing the on-going ones, has been the progress in adoption of the various Success Factor modules of SAP encompassing Recruitment & Onboarding, Goal and Performance Management, Learning Management System, E-Setu / JAM, CDP, Succession Planning. It is seen as a strategic initiative impacting the day to day experience of the employees, enhancing the effectiveness of HR processes & systems and creating a win-win situation for all the stakeholders. The focus on leveraging the other initiatives like Talent & Leadership Development to build a talent pipeline for the future, Succession Planning for key leadership positions and Balanced Scorecard for a sharper focus on outcomes and deliverables has also been significant. The Organisation has also successfully outsourced its payroll processing and travel management in partnership with some of the best external agencies and firms. There has also been extensive work around following-up on the findings of the Engagement Study and implementing the action plan emerging out of the same to impact the various engagement drivers.

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

The focus on building cordial and harmonious relationship with employees of the Company has continued on a sustained basis. An environment of mutual trust, understanding and faith has been nurtured in line with the progressive philosophy of the Organisation to work in a collaborative way and build togetherness to achieve the larger goals of building a great institution and business Organisation. The core value of respect and dignity has been well institutionalized in the organization ensuring fairness, transparency and engagement. The caring orientation alongwith the various welfare measures have ensured that the family spirit and belongingness is well sustained.

The unique initiatives undertaken from time to time, alongwith an authentic people philosophy of the Company, has ensured that the workplace provided to the employees is engaging, positive and enabling. All this has led to the building of a facilitating ecosystem and ethos in the Company. It has ensured that employees give their best and align themselves fully to the business and organizational goals of the Company so as to create a bright future for every stakeholder. The information on number of people employed is provided in other sections, which forms part of this Annual Report.



# Business Responsibility Report

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

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:**  
L74899DL1989PLC034923
- Name of the Company:** DCM Shriram Ltd.
- Registered address :** 1<sup>st</sup> Floor, Kanchenjunga Building,  
18, Barakhamba Road, New Delhi - 110001
- Website:** www.dcmshriram.com
- E-mail id :** response@dcmshriram.com
- Financial Year reported :** 2016-17
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

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

As per National Industrial Classification, 2008

- List three key products/services that the Company manufactures/provides (as in balance sheet):**

Products contributing more than 10 % of the Total Turnover of the Company as in the Balance Sheet are as follows:

- Caustic Soda
- Sugar
- Fertiliser

- Total number of locations where business activity is undertaken by the Company**

- Number of International Locations (Provide details of major 5)**

The Company has subsidiaries outside India with operations in Vietnam, Philippines and Indonesia.

- Number of National Locations**

The Company has business activities across India. Major plant locations of the Company are at : Ajbapur, Rupapur, Hariawan, Loni (U.P), Bharuch (Gujarat), Kota, Bhiwadi (Rajasthan), Hyderabad (Andhra Pradesh) and Chennai (Tamil Nadu).

- Markets served by the Company – Local/State/National/International**

National/International (By the Company/Subsidiaries).

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR) :** Rs. 32.64 Crs

- Total Turnover (Revenue from operations in INR) :**

Rs. 6060.94 Crs

- Total profit after taxes (INR) :** Rs. 522.07 Crs

- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 2% of average Net profits of the Company made during the three immediately preceding financial years.

- List of activities in which expenditure in 4 above has been incurred:-**

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

## SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies?**

Yes. For details, Note 31 of Notes forming part of the Financial Statements may be referred.

- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**

Yes. All Subsidiary Companies are encouraged to participate in the Business Responsibility (BR) initiatives of the Company and all foreign subsidiaries participate subject to applicable Indian and International laws. The details of Subsidiaries of the Company form part of the Financial Statements of the Annual Report.

- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

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

## SECTION D: BR INFORMATION

- Details of Director/Directors responsible for BR**

- Details of the Director/Director responsible for implementation of the BR policy/policies**

**DIN Number :** 00980318

**Name :** Mr. K.K. Kaul

**Designation :** Whole Time Director

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

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

No.	Particulars	Details			
1	Name	Mr. K.K. Kaul	Dr. N.J. Singh	Mr. J.K. Jain	Mr. Sushil Baveja
2	DIN No. (if applicable)	00980318	01893202	-	-
3	Designation	Whole Time Director	Whole Time Director (EHS)	Chief Financial Officer	Head – Corporate HR
4	Telephone No.	011-23316801	011-23316801	011-23316801	011-23316801
5	Email id	kkkaul@dcmshriram.com	njsingh@dcmshriram.com	jkjain@dcmshriram.com	sushilbaveja@dcmshriram.com

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

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

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

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

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

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

### 3. Governance related to BR

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

The Director responsible for BR initiatives assesses the BR performance periodically.

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

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

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1

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

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

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

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

The details of the Stakeholder Complaints received and satisfactorily resolved during the past financial year are as disclosed in the Corporate Governance Report [Section (E)]. In addition, the Company received customer complaints in the ordinary course of business. Over 90% of the complaints were satisfactorily resolved by the management by year end, and most of the remaining complaints have also since been resolved.

### Principle 2

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

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

(i) **Cement**

The Company's Cement production is primarily a waste recycle and resource conservation initiative. Hydrated lime sludge (Calcium Hydroxide Sludge) is generated during

Acetylene production in the Company's chemical plant. Considering the challenge in disposing this sludge in an environment friendly manner, cement plant was established with technology from Lafarge Coppee Lavalin, France. Setting up of this plant addressed environmental concerns and is a sterling example of converting waste to wealth.

(ii) **Fenesta™ Building Systems- UPVC doors & windows**

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

(iii) **Sugar**

The Company's processes for sugar manufacture are designed keeping in view social and environmental concerns. Entire captive power utilisation is met from Bio-fuel (Bagasse) which is a by-product of sugar cane. Flue Gas Scrubber has been installed which increases the calorific value of fuel of Bagasse and lowers the emission levels. Surplus clean energy produced using Bagasse is sold to the Grid for distribution. Further, wastes during sugar processing like boiler ash and press cake is used as organic manure and distributed to the farmers free of cost. The organic manure also enhances soil health. Excess water from cane produced in sugar processing is utilised in plant operations and irrigation.

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

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

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

The Company has achieved significant resource conservation in each such product, as below:

(i) **Cement**

In the last two decades fresh water consumption has reduced by about 61% and there has been a reduction in treated waste water discharge by about 91% in the cement plant. As compared to the previous year, in the last financial year, the reduction in fresh water consumption was about 9%, and reduction in treated waste water discharge was about 33%.

(ii) **Fenesta™ Building Systems- UPVC doors and windows**

Energy consumption during usage by consumers for



running air conditioners and similar appliances reduces substantially with UPVC windows/doors. As per "Energy Star (USA)" 25% to 50% of energy loss is through fenestration by air leakage, conduction and radiation. UPVC doors and windows are energy efficient minimizing energy loss due to fenestration, and helps reduce energy bills by almost 7%-15%.

**(iii) Sugar manufacture**

As compared to the previous year, in the last financial year, reduction in fresh water consumption ranged from about 7% to 90% in different sugar units, and reduction was also achieved in treated waste water discharge.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

**(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company continuously strives for sustainable sourcing and encourages traditional modes of transportation. As explained already, input for Company's cement plant is a waste from the chemical plant. Significant part of Company's energy demand is met from agricultural waste (Bagasse). The Company is also in the process of capitalizing on solar power for captive use. In sugar business, majority of raw material (sugarcane) is purchased from farmers directly. Farmers are encouraged to transport the same using their own bullock carts. To meet the demand for mineral lime stone, an important raw material, for cement manufacturing, the Company procures low grade mineral lime stone from nearby villages, and utilises calcium hydroxide sludge generated by its calcium carbide plant to meet the quality requirements. This has created a sustainable source close to the cement plant and resulted in employment and infrastructure development in the nearby villages.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

**(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company prefers procuring raw material and services from local and small producers. For its sugar business, it extensively engages with farmers for procuring sugarcane which is a prime raw material for sugar. Several cane development initiatives are continuously undertaken like free training to farmers, enabling utilisation of new agriculture technologies, educating farmers to increase yield, and company providing good quality seeds, bio-pesticides, decomposed bio-manure at subsidised rates to help improve soil fertility. In cement, as explained above, the Company procures low grade mineral limestone from

nearby villages and then upgrades its quality by utilising calcium hydroxide sludge. In general the Company undertakes vendor development programs from time to time to promote skills and development of local contractors and service providers through training and community development.

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

This has been explained in detail for major products already. In addition, the fly ash from power plant is also used in manufacturing cement. At carbide plant, the heat from flue gases is utilised to generate steam which is used in PVC & caustic soda plant. At PVC plant, recycled water from steam condensate is used for cooling tower make-up. The Company focuses on effective integration with the basic philosophy of resource optimisation, use of alternative sources and maximisation of "recycle and reuse" by innovation.

**Principle 3**

**Businesses should promote the well being of all employees**

- 1. Please indicate the total number of employees.**  
9870 as on March 31, 2017
- 2. Please indicate the total number of employees hired on temporary/contractual/casual basis.**  
4782 as on March 31, 2017
- 3. Please indicate the number of permanent women employees.**  
126 as on March 31, 2017
- 4. Please indicate the number of permanent employees with disabilities**  
4 as on March 31, 2017
- 5. Do you have an employee association that is recognized by management?**  
Two employee unions at the Kota Plant of the Company are recognized.
- 6. What percentage of your permanent employees is members of this recognized employee association?**  
Over 70% of the permanent employees at Kota Plant are the members of these unions.
- 7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**  
NIL
- 8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with Disabilities**

Safety and skill up-gradation training is a continuous process at DCM Shriram. As a policy all permanent employees are regularly provided basic training across the organisation. 100% of the company's permanent employees, including women and those with disabilities are covered annually in the training cycles at the time of induction and through periodic class room or web-based modules. In addition, special courses may be provided on a need based basis to groups or select employees, in diverse areas, depending upon requirement. The Contractors have the mandate to provide skill and safety training to all contractual employees before deputing them on Company assignments.

#### Principle 4

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

- 1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes

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

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

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

Yes. The Company follows an integrated development approach, specifically targeting the disadvantaged, vulnerable and marginalized stakeholders. DCM Shriram has consistently endeavoured to focus on inclusive and collaborative growth, and all social initiatives aim to improve the quality of life, especially in areas near the Company's plants. The Company also has an agriculture extension process covering over 500 villages across 11 states with the objective of educating rural households on modern farming practices. The Company relentlessly enables better education, health care, agriculture/animal husbandry extension, better livelihood skills and employment for such stakeholders. Spend on special programs and projects are undertaken under the Company's CSR initiatives. Please refer CSR Report forming part of the Annual Report.

#### Principle 5

**Businesses should respect and promote human rights**

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

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

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

None with respect to human rights violation.

#### Principle 6

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

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

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

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

Yes. As explained above, the Company focuses on resource conservation like clean water, reducing dependence on non-renewable energy sources, and promoting clean energy for its energy needs. The Company has also identified and actualized opportunities for carbon abatement on the basis of techno-commercial feasibility and reduction in emissions. Tree plantation and green belt development is undertaken in and around operating units. Studies are undertaken periodically to assess impact of operations on environment and biodiversity.

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

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

Yes. The Company has an integrated process of Enterprise Risk Management (ERM). Through the ERM process and SWOT (Strength Weakness Opportunity Threat) analysis potential environment, health and safety (EHS) risks are identified at the level of each business. The identified risks are assessed, and relevant action plans prepared and implemented for risk mitigation.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Yes. Clean Development Mechanism (CDM) is an integral part of the Company's strategy for carbon conscious growth of the organisation. In earlier years DCM Shriram registered CDM projects - Kota Waste Heat Recovery Boiler and Sugar Co-gen. Waste Heat Recovery Boiler is an initiative related to the system of generating steam out of waste heat emitted from a 30 MVA furnace. This initiative reduces ~36000 tons of CO<sub>2</sub> releasing into atmosphere. Bio mass residues (Bagasse), in Sugar business, used for generation of power have enabled emission reduction of about 57,000 tons of CO<sub>2</sub> equivalent. Carbon credits are being received for both the initiatives. To the extent applicable, the status of compliance of the stipulated Environmental Clearance conditions is submitted to the respective Authorities.

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

Yes. Initiatives are continuously taken for clean technology and energy efficiency. In addition to those explained already, the following are some other examples:

- The Company has installed a state of the art Distribution Control System (DCS) at Cement Plant for energy efficiency;
- To avoid mercury release in the environment, the Chlor-Alkali manufacturing process has been changed from mercury cell to membrane cell process - a mercury free and energy efficient process. DCM Shriram Ltd. is the 1st company in India for phasing out the mercury cell process for Chlor-alkali production;
- Hydrogen gas (clean fuel) is used as fuel instead of Furnace oil in Caustic soda flaking process to minimize the CO<sub>2</sub> emission as well as particulate matters in the atmosphere;
- To minimize the CO<sub>2</sub> emission in the atmosphere, the feedstock for manufacturing of Urea fertilizer is converted from Naphtha to Natural Gas (Clean fuel).

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

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

Yes, all prescribed norms are complied with.

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

NIL.

**Principle 7**

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

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

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

- Seeds Association
- Confederation of Indian Industry
- Indian Chemical Council
- Federation of Indian Chamber of Commerce and Industries
- PHD Chamber of Commerce and Industries
- Fertilizer Association of India (FAI)
- International Fertilizer Association (IFA).
- Cement Manufacturing Associations (CMA)
- All India Plastics Manufacturers Association (AIPMA)
- Federation of Indian Exporters Organisation (FIEO)
- Indian Sugar Mills Association

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Yes. The broad areas are : Governance and Administration, Economic Reforms, Water Policy, Labour Reforms, Ease of doing business, Sugarcane Policy, Skill Development.

**Principle 8**

**Businesses should support inclusive growth and equitable development**

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

Yes. For details, please refer to CSR Report forming part of this Annual Report.

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

The programs/projects are undertaken primarily through in-house team. For certain programmes and projects in-house team collaborates with external NGOs/ our Shriram Foundation, and support and participation of Government Agencies is solicited.

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

Yes. For details, please refer to CSR Report forming part of this Annual Report.

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

In FY 2016 – 17, the Company spent Rs 6.60 Cr as part of its CSR initiative. For details, please refer to CSR Report forming part of this Annual Report.

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

Yes, the initiative design normally incorporates considerations for exit to ensure that suitable structures are put in place which can take over the initiative or the project on a self sustaining long term basis. As an example, the Safe Drinking Water Project of the Company ensures setting up of Water Use Committee to take over the task of operation and maintenance of the RO plant built as part of the project. Similarly, the School Sanitation Project undertakes maintenance and repairs of school toilets for a year and ensures that the School Management Committee takes over the maintenance after that period. Community is recognized as a key stakeholder and partner in all initiatives and the Company strives to integrate relevant stakeholders in the design and delivery of all initiatives to enable self sustainability and community ownership in the long run.

**Principle 9**

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

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

Considering normal turnaround time required for resolution of consumer complaints, less than 10% of the complaints were pending at the end of the financial year, and of those most have since been resolved.

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

Yes. Additional information relevant to consumers is displayed, to enable the consumers derive higher value and ensure appropriate use. Additional information relating to safe handling, directions of use of products and specific certifications obtained by the Company, is also provided wherever applicable. The guiding approach in making disclosures is transparency and empowerment of the consumers.

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

No.

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

Consumer feedback is valued by the Company. It actively engages with consumers both through formal and informal mechanisms like surveys, direct feedback taken by sales teams and plant personnel, one to one meetings, dealer get togethers and the like.

# Board's Report

The Directors have pleasure in presenting the 28<sup>th</sup> Annual Report of the Company along with Audited Financial Statements, both standalone and consolidated, for the year ended 31<sup>st</sup> March, 2017.

## Financial Highlights

The results for the year ended 31.3.2017 and 31.3.2016 are as under:

(Rs. in crores)

Particulars	Standalone		Consolidated	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Total revenue from operations	6,060.94	5,984.91	6,117.19	6,030.23
Profit before finance cost, depreciation, tax and exceptional item	860.09	594.85	817.86	545.64
Profit before exceptional item and tax	676.13	415.08	632.70	362.28
Exceptional item : Provision for impairment of investment in foreign subsidiaries (Bioseed business)	85.12	-	-	-
Profit before tax	591.01	415.08	632.70	362.28
Profit after tax	522.07	352.99	552.33	300.43
Share of profit/(loss) of joint venture	-	-	0.03	0.71
Non-controlling interest	-	-	(0.68)	0.61
Other comprehensive income (after tax)	(7.47)	(2.36)	(3.58)	(0.73)
Total comprehensive income (after tax)	514.60	350.63	548.10	301.02
Basic/Diluted - EPS (Rs. Per equity share)				
- Before exceptional item	37.06	21.73	33.97	18.58
- After exceptional item	32.14	21.73	33.97	18.58
<b>Retained earnings- opening balance</b>	<b>2,070.22</b>	<b>1,773.08</b>	<b>1,979.03</b>	<b>1,733.26</b>
Add/(less):				
Profit for the year	522.07	352.99	551.68	301.75
Dividends (including dividend tax) paid during the year	(113.37)	(54.74)	(113.37)	(54.74)
Others	(6.56)	(1.11)	(6.42)	(1.24)
<b>Retained earnings - closing balance</b>	<b>2,472.36</b>	<b>2,070.22</b>	<b>2,410.92</b>	<b>1,979.03</b>

## State of Company's Affairs/Performance

The Company recorded a healthy financial performance in FY17 driven by Sugar and Chemicals Business. Other businesses witnessed stable performance.

The Company's total revenues from operations stood at Rs. 6,117 Crores in FY17 vs. Rs. 6,030 Crores last year. This was despite suspension of trading in imported bulk fertilisers (DAP/MOP) for FY17, which had a revenue of Rs. 688 Crores in FY16. Excluding this, the revenue increased by about 14.6% over last year.

EBITDA for FY17 stood at Rs. 817.9 Crores, a significant improvement from Rs. 545.6 Crores recorded last year. This improvement was led by better volumes and margins in Sugar business and higher volumes in Chemicals business. Other businesses except Shriram Farm Solutions also recorded improvement in earnings.

Our Agri-input businesses of Shriram Farm Solutions and Bioseed were impacted by lower demand and change in sowing patterns towards lower value inputs, a result of two consecutive years of poor and erratic

monsoons leading to weak farmer economics. Overall EBIDTA margins improved to 13% from 9% last year.

In the Standalone accounts (no impact on Consolidated financials), the Company has taken a write-down of Rs. 85.12 Crores in the value of investments in Bioseed International Business, keeping in view the longer gestation period and higher losses over last few years due to one time inventory write offs.

Net Profit for FY17 was up by 83% to Rs. 552 Crores from Rs. 302 Crores in FY16.

Net Debt stood at Rs. 928 Crores vs. Rs. 1057 Crores last year. Debt equity ratio stood at 0.37x vs 0.51x last year.

The Company completed capacity expansion projects for Chlor-Alkali (incl. captive power) at Bharuch & Power Cogeneration at Sugar business at total investments of ~Rs. 700 Crores. These plants have stabilised and have started contributing to the earnings of the Company.

During the year, the Company has announced new capital expenditure projects at an investment of ~ Rs. 300 Crores aimed at setting up a Distillery in Sugar Business to manufacture ethanol, Increase Chemicals capacity at Kota and to increase the fabrication capacity at Fenesta Business. These projects are expected to be completed by Q4 FY18 and will start adding to Company's growth from FY19 onwards.

## Dividend

Your Directors are pleased to recommend a final dividend @ 40% i.e. Rs. 0.80/- per equity share of Rs. 2/- each for the year ended 31.3.2017, which if declared by the Shareholders, the total dividend for the financial year 2016-17 will aggregate to 290 % i.e. Rs. 5.80/- per equity share of Rs. 2/- each (including two interim dividends @ 110%, i.e. Rs. 2.20 per equity share paid on 15<sup>th</sup> November, 2016 and @ 140%, i.e. Rs. 2.80 per equity share paid on 3<sup>rd</sup> March, 2017).

Further, as per the requirement of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dividend Distribution Policy of the Company is attached as **Annexure-1**.

## Number of Meetings of the Board

The Board met 4 times during the financial year on 10.5.2016, 9.8.2016, 27.10.2016 and 13.2.2017.

## Subsidiary/Associate/Joint Venture Companies

During the year, a subsidiary of the Company namely Hariyali Services Limited was struck off from the Register of Companies w.e.f. 15<sup>th</sup> November, 2016.

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

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

## Risk Management Framework

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

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

The criteria for Directors' appointment has been set up by the Nomination,



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

#### **Corporate Social Responsibility**

The details about the Policy on Corporate Social Responsibility (CSR) including programmes/activities undertaken on CSR, Annual Report on CSR activities and the composition of CSR Committee are provided in a separate section, which forms part of this Board's Report.

#### **Business Responsibility Report**

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

#### **Vigil Mechanism**

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

<http://dcmshriram.com/sites/default/files/vigil-mechanism.pdf>

#### **Related Party Transactions**

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

<http://dcmshriram.com/sites/default/files/Related%20Party%20Transaction%20-%20Final%20-%28BM-12.11.2014%29.pdf>

Particulars of contracts or arrangements entered into with related parties as referred to in Section 188(1) of the Act, are disclosed in Form AOC-2 attached as **Annexure-4**.

#### **Material Subsidiary Policy**

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

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

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

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

#### **Fixed Deposits**

1. The details relating to deposits, covered under Chapter V of the Act:
  - a) accepted during the year : Rs. 88,70,000/-
  - b) remained unpaid or unclaimed as at the end of the year : Rs. 1,45,873/-
  - c) there has been no default in repayment of deposits or payment

of interest thereon during the financial year ended on 31<sup>st</sup> March, 2017.

2. There are no deposits, which are in non-compliance with the requirements of Chapter V of the Act.

#### **Details in respect of adequacy of Internal Financial Control with respect to Financial Statements**

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

#### **DCM Shriram Employee Stock Purchase Scheme**

The Company has an Employee Stock Purchase Scheme (DCM Shriram ESPS) duly approved by Members, vide Special Resolution passed on August 13, 2013 and aligned in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014. DCM Shriram ESPS provides for grants of equity shares through Trust, purchased from Secondary Market, to the eligible Employees as may be decided by the Nomination, Remuneration and Compensation Committee from time to time. DCM Shriram ESPS is a secondary market scheme and hence no fresh issue of shares was made. There are no voting rights exercised on the shares held by the Trust. Further, there are no material changes in the DCM Shriram ESPS and it is in compliance with the applicable regulations. The details required as per SEBI (Share Based Employee Benefits) Regulations, 2014 is available at the following web link of the Company:

<http://www.dcmshriram.com/DCM-Shriram-ESPS-Report>

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

Mr. Ajit S. Shriram and Dr. N.J. Singh, Directors retire by rotation, and being eligible, offer themselves for re-appointment.

During the year, Justice (Retd.) Vikramajit Sen and Mr. Pravesh Sharma were appointed as Additional Directors of the Company in the category of Independent Director, w.e.f. 9.8.2016, whose appointments are being placed for the approval before the Shareholders in the ensuing Annual General Meeting (AGM).

Dr. S.S. Bajjal, Mr. Arun Bharat Ram and Mr. D. Sengupta ceased to be Independent Directors of the Company on completion of their tenure on 9.8.2016.

The Company has received declaration from all the Independent Directors of the Company under Section 149(7) of the Act, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

<http://dcmshriram.com/sites/default/files/Details%20of%20Familiarization%20Programme%20for%20Independent%20Directors%202016-17.pdf>

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

In compliance with requirements of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the formal annual performance evaluation of the Board, its Committees and Individual

Directors has been conducted as under:

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

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

The Board as a whole discussed the inputs on performance of Board/Committees/Individual Directors and performed the evaluation, excluding the Director being evaluated.

#### B. Criteria of evaluation as approved by the NRCC

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

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

#### Particulars of Employees

The details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, in respect of Employees of the Company, are given in **Annexure - 5** of this Board's Report.

However, in terms of Section 136 (1) of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the Statement of Particulars of Employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel)

Rules, 2014 as amended. The said statement is available for inspection by the Members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting.

#### Composition of Board Audit Committee

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

#### Extract of Annual Return

The Extract of Annual Return of the Company as on 31.3.2017 in Form No MGT-9 is attached as **Annexure - 6** to this Board's Report.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under the Companies (Account) Rules, 2014 are given in **Annexure - 7** of this Board's Report.

#### Secretarial Audit Report

The Board appointed M/s. Sanjay Grover & Associates, Company Secretaries, to conduct the Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2017 is attached as **Annexure - 8** to this Board's Report. The Secretarial Audit Report does not contain any qualification or reservation or adverse remark or disclaimer.

#### Unclaimed Shares Suspense Account

In terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company reports the following details in respect of equity shares lying in the suspense account, which were issued in physical form:

Balance as on 1.4.2016		No. of Members who approached the Company for transfer of shares and shares transferred from Suspense Account during the year		Balance as on 31.3.2017	
No. of holders	No. of shares	No. of holders	No. of shares	No. of holders	No. of shares
4525	667380	10*	2410	4515	664970

\* Approached -12; Pending -2.

The voting rights on the shares in the suspense account as on 31<sup>st</sup> March, 2017 will remain frozen unless the rightful owners of such shares claim the shares.

#### Corporate Governance

The Company is committed to adhere to best corporate governance practices. The separate sections on Management Discussion and Analysis, Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, forms part of the Annual Report.

#### Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants were appointed as Statutory Auditors of the Company in the last Annual General Meeting of the Company held on 9.8.2016 to hold office till the conclusion of the

ensuing Annual General Meeting. Pursuant to the provisions of the Companies Act, 2013, the term of M/s. Deloitte Haskins & Sells shall be completed at the conclusion of ensuing AGM and they are not eligible for re-appointment.

The Board has recommended for the approval of shareholders, the appointment of Price Waterhouse Chartered Accountants LLP, (FRN 012754N/N500016) as Statutory Auditors of the Company at the ensuing AGM for a term from the conclusion of ensuing AGM of the Company till the conclusion of 33<sup>rd</sup> AGM, subject to ratification at every AGM of the Company.

#### **Cost Auditors**

The Board appointed M/s. Bahadur Murao & Co., Cost Accountants, New Delhi (FRN 000008) and M/s. J. P. Sarda & Associates, Cost Accountants, Kota (FRN 000289) as Cost Auditors for the financial year 2017-18 to audit the cost accounting records of the Company.

#### **Directors' Responsibility Statement**

Your Directors state that:

- a) in preparation of annual accounts for the year ended 31<sup>st</sup> March, 2017, the applicable accounting standards have been followed and there are no material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for

preventing and detecting fraud and other irregularities;

- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls as followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **Industrial Relations**

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

#### **Acknowledgements**

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

On behalf of the Board

New Delhi  
May 01, 2017

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

## **Annexure - 1**

### **Dividend Distribution Policy**

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

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

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

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

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

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

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

Name of the subsidiary	(Rs. in Crores)																																						
	DCM Shriram Credit and Investments Ltd.	30-11-2007	DCM Shriram Foundation	Haryali Rural Ventures Ltd.	18-12-2007	Shriram Bloseed Ventures Ltd.	30-06-2007	Bloseed India Ltd.	20-07-2000	DCM Shriram Infrastructure Ltd.	12-12-2003	DCM Shriram Aqua Foods Ltd.	12-06-1995	Fenesta India Ltd.	18-12-2008	Shri Ganpati Fertilizers Ltd.	27-03-2008	Shridhar Shriram Foundation	09-02-2010	PT Shriram Seed, Indonesia	04-02-2011	Shriram Bloseed (Thailand) Ltd.	16-06-2006	Bloseed Research USA INC.	12-07-2012	Bloseed Holdings Pte. Ltd.	31-01-2009	Bloseed Research Philippines, INC	16-07-2002	Bloseed Vietnam Ltd.	20-03-2008	Bloseed Ltd.	16-07-2002	Bloseed PT Shriram Genetics, Indonesia	25-09-2012				
The Date since when the subsidiary was acquired.	12-05-1993																																						
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N/A																																						
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N/A																																						
Share capital	9.00	0.01	1.00	4.05	0.05	0.05	0.05	0.05	8.35	0.05	0.05	8.35	0.05	0.05	2.15	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05		
Other Equity	0.86	-0.017	-1.85	17.51	-0.05	6.85	-5.18	0.24	-24.20	-0.014	-23.78	-28.53	0.06	-9.76	-51.88	-54.51	105.33	14.94	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95		
Total assets	12.37	0.016	7.77	157.61	0.004	31.13	3.18	18.66	10.27	0.037	23.24	0.57	209.41	27.60	32.25	207.87	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	7.06	
Total Liabilities	2.51	0.023	8.62	136.05	0.004	24.23	0.01	18.37	32.32	0.001	12.32	0.11	172.87	67.02	17.39	87.60	10.51	10.51	10.51	10.51	10.51	10.51	10.51	10.51	10.51	10.51	10.51	10.51	10.51	10.51	10.51	10.51	10.51	10.51	10.51	10.51	10.51	10.51	
Investments	9.04			57.05																																			
Turnover	0.97		0.78	7.62		0.001	0.14	71.92	33.51		10.54	1.34	4.76	46.38	4.76	7.22	9.46	9.46	9.46	9.46	9.46	9.46	9.46	9.46	9.46	9.46	9.46	9.46	9.46	9.46	9.46	9.46	9.46	9.46	9.46	9.46	9.46	9.46	
Profit before taxation	0.08	-0.004	-0.54	-2.27	-0.01	-2.19	0.06	0.14	3.60	-0.002	-10.26	0.09	-0.012	-15.73	-19.22	1.58	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	
Provision for taxation	0.09		0.56				0.04	0.04			-1.13			0.17	3.23	0.05																							
Profit after taxation	-0.01	-0.004	-1.10	-2.27	-0.01	-2.19	0.02	0.10	3.60	-0.002	-9.13	0.09	-0.012	-15.90	-22.45	1.53	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	
Other Comprehensive Income	2.22							-0.003	-0.001																														
Total Comprehensive Income	2.21		-1.10	-2.27	-0.01	-2.19	0.02	0.10	3.60	-0.002	-9.13	0.09	-0.01	-15.90	-22.45	1.53	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	
Proposed Dividend																																							
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

#### Notes:

1. In case of foreign subsidiaries, the assets and liabilities have been translated into Indian Rupees at the closing exchange rate at the year end and whereas statement of profit and loss numbers have been translated into Indian Rupees at average exchange rate for the year.
2. Names of subsidiaries which are yet to commence operations : Nil
3. Names of subsidiaries which have been struck off/liquidated during the year : Hanyali Services Limited

## AOC -1 - Part “B”: Associates and Joint Ventures

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

Name of Joint Venture Company	Shriram Axiall Pvt. Ltd.
Latest audited Balance Sheet date	31.3.2017
Date on which the Associate or Joint Venture was associated or acquired	10-04-2014
No. of Shares of Joint Ventures held by the Company at the year end	17,32,500
Amount of Investment in Joint Venture	Rs. 3.42 Crores
Extent of Holding %	50%
Description of how there is significant influence	Joint Venture, having 50% control of the total paid-up share capital of the Company
Reasons why the joint venture is not consolidated	N.A.
Networth attributable to Shareholding as per latest audited Balance Sheet	Rs. 19.95 Crores
Profit/(Loss) for the year	-
i. Considered in Consolidation	Rs. (0.09) Crore
ii. Not Considered in Consolidation	Nil

### Notes :

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

Sameet Gambhir  
Company Secretary

J.K. Jain  
Chief Financial Officer

Pradeep Dinodia  
Director  
DIN : 00027995

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



## Annexure - 3

### REMUNERATION POLICY

#### 1. PREAMBLE

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations]. On the recommendation of Nomination, Remuneration and Compensation Committee, this policy has been approved by the Board of Directors.

#### 2. OBJECTIVE

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

#### 3. DEFINITIONS

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

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

#### 4. KEY PRINCIPLES

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

- (i) Attract, retain and motivate the right talent, including the Directors and Employees as required to meet the goals of the Company.
- (ii) Remuneration to the Directors, KMPs, and SMPs is aligned with the short term and long term goals and performance of the Company.

- (iii) Promote the culture of meritocracy, performance and accountability. Give appropriate weightage to individual business and overall Company's performance.
- (iv) Reflect market trends and practices, competitive positions to attract the required talent.

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

- (i) The Remuneration to Executive Directors will be approved by the Board of Directors based on the recommendations of the Committee, subject to the approval of shareholders and such other authorities as may be applicable. The concerned Executive Director will not participate in such discussions of the Board/Committee.
- (ii) The compliance of the relevant provisions of the Companies Act, 2013 and SEBI Listing Regulations regarding the limits of remuneration will be ensured.
- (iii) The remuneration will include the following components :

##### a) Basic Salary

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

##### b) Commission

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

##### c) Perquisites and Allowances

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

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

##### e) Minimum Remuneration

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

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

The Non-Executive and Independent Directors would be paid remuneration by way of sitting fees for attending meetings of Board or

Committee thereof and profit related commissions as approved by Board and Shareholders. The amount of such fees and commissions shall be subject to ceiling/limits as provided under the Companies Act, 2013 and Rules made thereunder or any other enactment for the time being in force.

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

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

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

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

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

#### **8. WORKMEN COMPENSATION**

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

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

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

Where any insurance is taken by the Company on behalf of its Directors, KMPs/Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

#### **10. AMENDMENTS**

Notwithstanding the above, the applicable provisions and amendments, if any, under the Companies Act, 2013 and/or SEBI Listing Regulations in respect of this policy and related matters shall be implemented by the Company. The Committee may recommend amendments to this Policy from time to time as it deems appropriate.

#### **11. DISCLOSURE**

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

## **Annexure - 4**

### **FORM NO. AOC - 2**

**(Pursuant to clause (h) of Sub-Section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

**Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

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

NIL

#### **2. Details of material contracts or arrangement or transactions at arm's length basis :-**

NIL

## Annexure - 5

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

(l) (a) The percentage increase in remuneration of each Director during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 :

S. No.	Name of Director/KMP and Designation	% increase in Remuneration in the financial year 2016-17	Ratio of remuneration of each Director/to median remuneration of employees
1.	Mr. Ajay S. Shriram Chairman & Sr. Managing Director & KMP	28.81	155:1
2.	Mr. Vikram S. Shriram Vice Chairman & Managing Director	28.28	151:1
3.	Mr. Ajit S. Shriram Joint Managing Director	33.70	133:1
4.	Mr. K.K. Kaul Whole Time Director	13.71	48:1
5.	Dr. N.J. Singh Whole Time Director	7.96	19:1
6.	Mr. Pradeep Dinodia Non-Executive Director	38.20	10:1
7.	Mr. Vimal Bhandari Non-Executive Director	25.00	4:1
8.	Mr. Sunil Kant Munjal Non-Executive Director	27.45	5:1
9.	Mrs. Ramni Nirula Non-Executive Director	34.48	5:1
10.	Mr. Sharad Shrivastva* Nominee Director (LIC)	36.79	3:1
11.	Justice (Retd.) Vikramajit Sen** Non-Executive Director	N.A.	3:1
12.	Mr. Pravesh Sharma** Non-Executive Director	N.A.	4:1
13.	Dr. S.S. Bajjal# Non-Executive Director	-58.90	4:1
14.	Mr. Arun Bharat Ram# Non-Executive Director	-73.63	1:1
15.	Mr. D. Sengupta# Non-Executive Director	-57.97	3:1

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

# Ceased w.e.f. 9.8.2016

\*\* Appointed w.e.f. 9.8.2016

(b) The percentage increase in remuneration of each Chief Financial Officer and Company Secretary during the financial year 2016-17.

S. No.	Name of KMP and Designation	% increase in Remuneration in the financial year 2016-17
1.	Mr. J.K. Jain Chief Financial Officer & KMP	9.81
2.	Mr. Sameet Gambhir Company Secretary & KMP	-11.25

- (II) In the financial year 2016-17, there was an increase of 12.69% in the median remuneration of employees.
- (III) There were 5,088 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2017
- (IV) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 12.96% whereas the increase in managerial remuneration for the same financial year was 24.78%. Increase in Managerial Remuneration was recommended by Nomination, Remuneration and Compensation Committee and approved by Board of Director keeping view of the performance of the Company and Managerial Personnel and the remuneration received by Chief Executives in comparable bodies corporate.
- (V) **Affirmation:** It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

## Annexure - 6

### Form No. MGT- 9 EXTRACT OF ANNUAL RETURN as on the financial year ended 31<sup>st</sup> March, 2017

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

#### I. REGISTRATION AND OTHER DETAILS

i) CIN	L74899DL1989PLC034923
ii) Registration Date	6.2.1989
iii) Name of the Company	DCM Shriram Limited
iv) Category/Sub-Category of the Company	Public Company Limited by shares
v) Address of the Registered Office and contact details	1 <sup>st</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001 Tel : 011-23316801, Fax : 011-23318072
vi) Whether listed Company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent	M/s. MCS Share Transfer Agent Limited F-65, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020 Tel. Nos. : 011-41406149, 41406151-52, Fax No. : 011-41709881, E-mail : <a href="mailto:admin@mcsregistrars.com">admin@mcsregistrars.com</a>

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

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

S. No.	Name and description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1.	Fertilizer	2012, Manufacture of fertilizers and pesticides	12.34
2.	Sugar	1072, Manufacture and Refining of Sugar	22.80
3.	Caustic Soda	2011, Manufacture of Basic Inorganic Chemicals N.E.C.	16.91

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

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

S. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of share held	Applicable Section
4.	DCM Shriram Credit and Investments Limited	Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001	U65993DL1992PLC049517	Subsidiary	100.00	2(87)
5.	DCM Shriram Aqua Foods Limited	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001	U05004DL1993PLC156164	Subsidiary	100.00	2(87)
6.	Fenesta India Limited	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001	U74120DL2008PLC185966	Subsidiary	100.00	2(87)
7.	DCM Shriram Foundation	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001	U65923DL2007NPL170953	Subsidiary	100.00	2(87)
8.	Hariyali Rural Ventures Limited	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001	U51909DL2007PLC171615	Subsidiary	100.00	2(87)
9.	Shridhar Shriram Foundation	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001	U85100DL2010NPL198887	Subsidiary	100.00	2(87)
10.	Shriram Bioseed Ventures Limited	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001	U45400DL2007PLC163026	Subsidiary	100.00	2(87)
11.	Shri Ganpati Fertilizers Limited	5 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001	U24110DL1995PLC223806	Subsidiary	81.41	2(87)
12.	Bioseeds Holdings Pte. Ltd.	17, Phillip Street, #05-01, Grand Building, Singapore-048695	--	Subsidiary	100.00	2(87)
13.	Bioseeds Limited	Suite 2004, Level 2, Alexander House, 35 Cyber city, Ebene- Mauritius	--	Subsidiary	100.00	2(87)
14.	Bioseed Research Philippines Inc.	National Hi-way, Katangawan, General Santos City, Philippines	--	Subsidiary	100.00	2(87)
15.	Bioseeds Research USA Inc.	203 North LaSalle Street, Suite 2500, Chicago, IL-60601 (USA)	--	Subsidiary	100.00	2(87)
16.	Bioseed Vietnam Limited	Room No.348, 3rd Floor, Binh Minh Hotel, 27 Ly Thai To Street, Hoan Kiem, District- Hanoi-Vietnam	--	Subsidiary	100.00	2(87)
17.	PT. Shriram Genetics, Indonesia	Mayapada Tower 1, Lantai 07 Suites 06 F / E, Jl. Jenderal Sudirman, Kav. 28, Kel. Karet, Kec. Setiabudi, Jakarta Selatan 12920, Indonesia	--	Subsidiary	49.00	2(87)
18.	PT. Shriram Seed, Indonesia	Mayapada Tower 1, Lantai 07 Suites 06 F/E, Jl. Jenderal Sudirman, Kav. 28, Kel. Karet, Kec. Setiabudi, Jakarta Selatan 12920, Indonesia	--	Subsidiary	95.00	2(87)
19.	Shriram Bioseed (Thailand) Limited	48/145, MOO.12 Tumbol, Thankasem, Amphur Phraputtabaht, 18120- Saraburi-Thailand	--	Subsidiary	99.99	2(87)
20.	Shriram Axiall Pvt. Limited	5 <sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi -110001	U74120DL2008PTC185967	Joint Venture	50.00	2(6)

**Note :** During the year, a subsidiary of Company namely Hariyali Services Limited was struck off from the Register of Companies w.e.f. 15.11.2016.



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Shareholding**

Category of Shareholders	No. of shares held at the beginning of the year (as on 1.4.2016)				No. of shares held at the end of the year (as on 31.3.2017)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	5461050	--	5461050	3.36	5459040	--	5459040	3.36	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	98282744	--	98282744	60.52	98282744	--	98282744	60.51	--
e) Banks/FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (1):-</b>	<b>103743794</b>	<b>--</b>	<b>103743794</b>	<b>63.88</b>	<b>103741784</b>	<b>--</b>	<b>103741784</b>	<b>63.87</b>	<b>--</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks/FI	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (2):-</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>103743794</b>	<b>--</b>	<b>103743794</b>	<b>63.88</b>	<b>103741784</b>	<b>--</b>	<b>103741784</b>	<b>63.87</b>	<b>--</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	2561370	--	2561370	1.58	1431862	--	1431862	0.88	(0.70)
b) Banks/FI	44739	19200	63939	0.04	46110	19200	65310	0.04	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(s).	--	29640	29640	0.02	--	29640	29640	0.02	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	16137561	--	16137561	9.93	15274815	--	15274815	9.40	(0.54)
g) FIs	1734618	500	1735118	1.07	2347730	500	2348230	1.45	0.38
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
l) Others	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(1):-</b>	<b>20478288</b>	<b>49340</b>	<b>20527628</b>	<b>12.64</b>	<b>19100517</b>	<b>49340</b>	<b>19149857</b>	<b>11.79</b>	<b>(0.86)</b>
<b>(2) Non Institutions</b>									
a) Bodies Corp.									
l) Indian	2270715	24270	2294985	1.41	1994743	22420	2017163	1.24	(0.17)
ii) Overseas	--	15105550	15105550	9.30	--	15105550	15105550	9.30	--
iii) Non-Promoter and non-public shareholding- DCM Shriram Employees Benefits Trust	3119174	--	3119174	1.92	2773924	--	2773924	1.71	(0.21)

Category of Shareholders	No. of shares held at the beginning of the year (as on 1.4.2016)				No. of shares held at the end of the year (as on 31.3.2017)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b) Individuals									
l) Individual shareholders holding nominal share capital upto Rs. 1 lakh	11462843	3649852	15112695	9.30	12483370	3565255	16048625	9.88	0.58
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1427291	--	1427291	0.88	1477581	--	1477581	0.91	0.03
c) Others	1055289	29731	1085020	0.67	2072222	29431	2101653	1.29	0.62
<b>Sub-total (B)(2):-</b>	<b>19335312</b>	<b>18809403</b>	<b>38144715</b>	<b>23.48</b>	<b>20801840</b>	<b>18722656</b>	<b>39524496</b>	<b>24.34</b>	<b>0.86</b>
<b>Total Public Shareholding (B)= (B)(1)+ (B)(2)</b>	<b>39813600</b>	<b>18858743</b>	<b>58672343</b>	<b>36.12</b>	<b>39902357</b>	<b>18771996</b>	<b>58674353</b>	<b>36.13</b>	<b>--</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>143557394</b>	<b>18858743</b>	<b>162416137</b>	<b>100.00</b>	<b>143644141</b>	<b>18771996</b>	<b>162416137</b>	<b>100.00</b>	<b>--</b>

**ii) Shareholding of Promoters and Promoters Group**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Sumant Investments Pvt. Limited	98,282,284	60.51	-	98,282,284	60.51	-	-
2.	Ajit S. Shriram	595,580	0.37	-	595,580	0.37	-	-
3.	Ajay S. Shriram (HUF)	559,330	0.34	-	559,330	0.34	-	-
4.	Vikram S. Shriram (HUF)	550,200	0.34	-	550,200	0.34	-	-
5.	Vikram S. Shriram	503,310	0.31	-	503,310	0.31	-	-
6.	Ajit S. Shriram (HUF)	500,000	0.31	-	500,000	0.31	-	-
7.	Ajay S. Shriram	493,780	0.30	-	493,780	0.30	-	-
8.	Tara A. Shriram (Minor)	299,900	0.18	-	299,900	0.18	-	-
9.	Anand A. Shriram	298,070	0.18	-	298,070	0.18	-	-
10.	Nainika V. Shriram	297,900	0.18	-	297,900	0.18	-	-
11.	Aditya A. Shriram	297,760	0.18	-	297,760	0.18	-	-
12.	Pranav V. Shriram	297,190	0.18	-	297,190	0.18	-	-
13.	Varun A. Shriram	296,900	0.18	-	296,900	0.18	-	-
14.	Kavita V. Shriram	78,680	0.05	-	78,680	0.05	-	-
15.	Vandana A. Shriram	78,340	0.05	-	78,340	0.05	-	-
16.	Prabha Shridhar	218,900	0.13	-	218,900	0.13	-	-
17.	Charni Vinod Kumar	35,700	0.02	-	35,700	0.02	-	-
18.	Richa A. Shriram	34,900	0.02	-	34,900	0.02	-	-
19.	Ambika Jaipal Singh	16,500	0.01	-	16,500	0.01	-	-
20.	Om Prakash Jhalani	3,000	0.00	-	3,000	0.00	-	-
21.	Anoop Jhalani	2,010	0.00	-	0	0.00	-	-
22.	Om Prakash Jhalani	2,000	0.00	-	2,000	0.00	-	-
23.	Lala Shridhar (HUF)	1,100	0.00	-	1,100	0.00	-	-
24.	Shriudyog Marketing Pvt. Limited	460	0.00	-	460	0.00	-	-
	<b>Total</b>	<b>103,743,794</b>	<b>63.88</b>	<b>-</b>	<b>103,741,784</b>	<b>63.87</b>	<b>-</b>	<b>-</b>

**iii) Change in Promoters and Promoters Group's Shareholding (please specify, if there is no change)**

S. No.		Shareholding at the beginning of the year (as on 1.4.2016)		Date	Increase/ (Decrease)	Reasons for Increase / (Decrease)	Cumulative Shareholding during the year(1.4.2016 to 31.3.2017)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	At the beginning of the year	103,743,794	63.88	23.9.2016	(2010)	Sale	103,741,784	63.87
2.	At the end of the year	103,741,784	63.87	31.3.2017	-	-	103,741,784	63.87

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

S. No.	Name	Shareholding		Date of Increase/ Decrease during the financial year (1.4.2016-31.3.2017)	Increase / (Decrease) in Shareholding*	Reason	Cumulative Shareholding during the year (1.4.2016 to 31.3.2017)	
		No of Shares & percentage at the beginning/end of the Year					shares	% of total shares of the Company
		1.4.2016	31.3.2017					
1.	Life Insurance Corporation of India	12,863,749 [7.92%]	12,863,749 [7.92%]	-	-	N.A.	12,863,749	7.92
2.	Stepan Holdings Limited	7,085,000 [4.36%]	7,085,000 [4.36%]	-	-	N.A.	7,085,000	4.36
3.	Ristana Services Limited	4,804,550 [2.96%]	4,804,550 [2.96%]	-	-	N.A.	4,804,550	2.96
4.	Exemplary Management Services Private Limited	2,002,174 [1.23%]	1,825,674 [1.12%]	8.4.2016	(46,000)	Change pursuant to ESPS Scheme of the Company	1,956,174	1.20
				22.4.2016	(10,000)		1,946,174	1.20
				29.4.2016	(7,500)		1,938,674	1.19
				6.5.2016	(10,000)		1,928,674	1.19
				13.5.2016	(15,000)		1,913,674	1.18
				10.6.2016	(42,500)		1,871,174	1.15
				24.6.2016	(10,000)		1,861,174	1.15
				29.7.2016	(15,000)		1,846,174	1.14
				23.9.2016	12,500		1,858,674	1.14
				20.1.2017	(18,000)		1,840,674	1.13
24.2.2017	(15,000)	1,825,674	1.12					
5.	The New India Assurance Company Limited	1,977,015 [1.22%]	1,697,066 [1.04%]	3.6.2016	(30,100)	Sale	1,946,915	1.20
				10.6.2016	(25,585)	Sale	1,921,330	1.18
				17.6.2016	(21,427)	Sale	1,899,903	1.17
				24.6.2016	(86,184)	Sale	1,813,719	1.12
				30.6.2016	(101,653)	Sale	1,712,066	1.05
8.7.2016	(15,000)	Sale	1,697,066	1.04				
6.	Sal Perton Limited	1,650,000 [1.02%]	1,650,000 [1.02%]	-	-	N.A.	1,650,000	1.02
7.	Turnstone Investment Limited	1,566,000 [0.96%]	1,566,000 [0.96%]	-	-	N.A.	1,566,000	0.96

S. No.	Name	Shareholding		Date of Increase/ Decrease during the financial year (1.4.2016– 31.3.2017)	Increase / (Decrease) in Shareholding*	Reason	Cumulative Shareholding during the year (1.4.2016 to 31.3.2017)	
		No of Shares & percentage at the beginning/end of the Year					shares	% of total shares of the Company
		1.4.2016	31.3.2017					
8.	BNP Paribas Mid Cap Fund	247,460 [0.15%]	514,983 [0.32%]	8.4.2016	37,000	Purchase	284,460	0.18
				6.5.2016	58,200	Purchase	342,660	0.21
				21.10.2016	37,723	Purchase	380,383	0.23
				28.10.2016	20,000	Purchase	400,383	0.25
				18.11.2016	81,000	Purchase	481,383	0.30
				31.12.2016	18,600	Purchase	499,983	0.31
				10.3.2017	15,000	Purchase	514,983	0.32
9.	Dimensional Emerging Markets Value Fund	424,659 [0.26%]	433,903 [0.27%]	16.9.2016	7,399	Purchase	432,058	0.27
				16.12.2016	1,845	Purchase	433,903	0.27
10.	Bajaj Allianz Life Insurance Co. Ltd.	478,290 [0.29%]	429,000 [0.26%]	29.7.2016	(15,807)	Sale	462,483	0.28
				5.8.2016	(23,483)	Sale	439,000	0.27
				18.11.2016	(10,000)	Sale	429,000	0.26

\* Based on weekly Ben-Pos

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

S. No.	Name of Directors	Shareholding		Date of Increase/ Decrease during the financial year (1.4.2016– 31.3.2017)	Increase / (Decrease) in Shareholding*	Reason	Cumulative Shareholding during the year (1.4.2016 to 31.3.2017)	
		No of Shares & percentage* at the beginning/end of the Year					shares	% of total shares of the Company
		1.4.2016	31.3.2017					
1.	Mr. Ajay S. Shriram Chairman & Sr. Managing Director & Key Managerial Personnel	493780 [0.30%]	493780 [0.30%]	-	-	NIL	493780	0.30
2.	Mr. Vikram S. Shriram Vice Chairman & Managing Director	503310 [0.31%]	503310 [0.31%]	-	-	NIL	503310	0.31
3.	Mr. Ajit S. Shriram Joint Managing Director	595580 [0.37%]	595580 [0.37%]	-	-	NIL	595580	0.37
4.	Mr. K.K. Kaul Whole Time Director	59000 [0.04%]	59000 [0.04%]	-	-	NIL	59000	0.04
5.	Dr. N.J. Singh Whole Time Director (EHS)	8000 [0.00%]	5000 [0.00%]	31.12.2016	1000	Sale	7000	0.00
				13.1.2017	2000	Sale	5000	0.00

S. No.	Name of Directors	Shareholding		Date of Increase/ Decrease during the financial year (1.4.2016– 31.3.2017)	Increase / (Decrease) in Shareholding*	Reason	Cumulative Shareholding during the year (1.4.2016 to 31.3.2017)	
		No of Shares & percentage* at the beginning/end of the Year					shares	% of total shares of the Company
		1.4.2016	31.3.2017					
6.	Mr. Pradeep Dinodia Non-Executive Director	29270 [0.02%]	29270 [0.02%]	-	-	NIL	29270	0.02
7.	Mr. Vimal Bhandari Non-Executive Director	2000 [0.00%]	2000 [0.00%]	-	-	NIL	2000	0.00
8.	Mr. Sunil Kant Munjal Non-Executive Director	0 [0.00%]	0 [0.00%]	-	-	NIL	-	0.00
9.	Mrs. Ramni Nirula Non-Executive Director	0 [0.00%]	0 [0.00%]	-	-	NIL	-	0.00
10.	Mr. Sharad Shrivastva Nominee Director (LIC)	0 [0.00%]	0 [0.00%]	-	-	NIL	-	0.00
11.	Justice (Retd.) Vikramajit Sen <sup>#</sup> Non-Executive Director	-	-	-	-	NIL	-	0.00
12.	Mr. Pravesh Sharma <sup>#</sup> Non-Executive Director	-	-	-	-	NIL	-	0.00
13.	Dr. S.S. Bajjal <sup>##</sup> Non-Executive Director	50000 [0.03%]	50000 [0.03%]	-	-	-	-	-
14.	Mr. Arun Bharat Ram <sup>##</sup> Non-Executive Director	0 [0.00%]	0 [0.00%]	-	-	-	-	-
15.	Mr. D. Sengupta <sup>##</sup> Non-Executive Director	20000 [0.01%]	20000 [0.01%]	-	-	-	-	-
<sup>#</sup> Appointed w.e.f. 9.8.2016. <sup>##</sup> Ceased w.e.f. 9.8.2016.								
<b>Key Managerial Personnel (KMPs)</b>								
1.	Mr. J.K. Jain Chief Financial Officer	76260 [0.05%]	76260 [0.05%]	-	-	NIL	76260	0.05
2.	Mr. Sameet Gambhir Company Secretary	15000 [0.01%]	15000 [0.01%]	-	-	NIL	15000	0.01

\* Based on weekly BenPos



**V) INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**
**(Rs. in Crores)**

Description	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year.				
i) Principal Amount	726.07	302.91	30.57	1,059.55
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10.45	0.66	0.19	11.30
Total (i+ii+iii)	736.52	303.57	30.76	1,070.85
Change in Indebtedness during the financial year				
✦ Addition	1,328.54	2,390.50	0.92	3,719.96
✦ Reduction	1,115.71	2,590.46	0.17	3,706.34
<b>Net Change</b>	<b>212.83</b>	<b>(199.96)</b>	<b>0.75</b>	<b>13.62</b>
Indebtedness at the end of the financial year				
i) Principal Amount	938.90	102.95	31.32	1,073.17
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	14.39	0.66	0.14	15.19
<b>Total (i+ii+iii)</b>	<b>953.29</b>	<b>103.61</b>	<b>31.46</b>	<b>1,088.36</b>

**VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Directors, Whole-Time Directors and/or Manager**
**(Rs. in Lakhs)**

Sr. No	Particulars of Remuneration	Name of MDs/WTDs					Total Amount
		Ajay S. Shriram Chairman & Sr. Managing Director	Vikram S. Shriram Vice Chairman & Managing Director	Ajit S. Shriram Joint Managing Director	K.K. Kaul Whole Time Director	Dr. N.J. Singh Whole Time Director (EHS)	
1.	Gross salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	183.60	179.55	136.35	128.22	55.63	683.35
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	104.74	98.65	85.35	16.00	5.27	310.01
	(c) Profit in lieu of salary u/s 17(3) of Income Tax Act, 1961	-	-	-	-	-	-
2.	Stock option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission						
	- as % of profits	350.00	345.00	330.00	50.00	14.00	1089.00
	- Other	-	-	-	-	-	-
5.	Others :						
	- Contribution to PF	19.58	19.15	14.54	9.09	4.18	66.54
	<b>Total (A)</b>	<b>657.92</b>	<b>642.35</b>	<b>566.24</b>	<b>203.31</b>	<b>79.08</b>	<b>2148.90</b>
	Ceiling as per the Act	Rs. 70.46 Crores (being 10% of Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)					

**B. Remuneration to other Directors**

(Rs. in Lakhs)

Sr. No	Particulars of Remuneration	Nominee Director	Independent Director									Total Amount
		Sharad Shrivastva	Pradeep Dinodia	Vimal Bhandari	Sunil Kant Munjal	Ramni Nirula	Justice (Retd.) Vikramajit Sen <sup>#</sup>	Pravesh Sharma <sup>#</sup>	D. Sengupta <sup>##</sup>	Dr. S.S Bajjal <sup>##</sup>	Arun Bharat Ram <sup>##</sup>	
1.	- Fee for attending Board/ Committee meetings	1.50	9.90	2.65	3.85	4.20	0.75	2.65	3.00	3.50	-	32.00
2.	- Commission	14.50	44.50	16.50	19.50	19.50	13.50	16.50	12.21	18.21	5.21	180.13
	<b>Total (B)</b>	16.00	54.40	19.15	23.35	23.70	14.25	19.15	15.21	21.71	5.21	212.13
	<b>Total Managerial Remuneration (A+B)</b>											<b>2374.65</b>
	Overall Ceiling as per the Act	Rs. 77.51 Crores (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)										

# Appointed w.e.f. 9.8.2016.

## Ceased w.e.f. 9.8.2016.

**C. Remuneration to Key Managerial Personnel other than MDs/Manager/WTDs**

(Rs. in Lakhs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Ajay S. Shriram Chairman & Sr. Managing Director, CEO	J.K. Jain Chief Financial Officer	Sameet Gambhir Company Secretary	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	183.60	134.73	53.18	371.51
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	104.74	11.64	0.41	116.79
	(c) Profit in lieu of salary u/s 17(3) of Income Tax Act, 1961	-	-	-	-
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profits	350.00	-	-	350.00
	- others	-	-	-	-
5.	Others				
	- Contribution to PF	19.58	7.01	2.68	29.27
	<b>Total</b>	<b>657.92</b>	<b>153.38</b>	<b>56.27</b>	<b>867.57</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

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

## Annexure - 7

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

### A) Conservation of Energy

#### (i) the steps taken and/or impact on conservation of energy:

##### SFC Complex – Kota

##### Power

- ✦ Recycling of 40MW boiler economizer and air-heater fly ash back into the furnace has lead to reduction of the un-burnt carbon loss by 1%, resulting into an energy saving of 764.5 MTOE per year.
- ✦ Automation of 40MW combustion control thus maintaining main steam pressure and temperature near the design value, resulting in an energy saving of 231 MTOE per year.

##### Cement

- ✦ Installation of new DCS in Cement Plant leading to better controlled operation of plants, optimal operation of burners and energy audit of all equipments with better load management resulting :
  - Reduction of coal consumption by 1268 MT/year equivalent to 713.5 MTOE per year.
  - Reduction of power consumption by ~3200 Kwh/Day equivalent to 360.4 MTOE.

##### SAC – Bharuch Chemical plant

Sr. No	Particulars	Kwh/Day	Savings on account of measures taken	Impact on cost of production
			savings- Rs. lakhs/p.a.	Rs/MT Prod @ 228525 MT
1	Conversion of Electrolyzer G into energy efficient Zero gap electrolyzer.	26280	298	130
2	Conversion of Electrolyzer H into energy efficient Zero gap electrolyzer.	26280	298	130
3	Power Plant lighting panel day/night timer installation to avoid light ON in day time.	228	3	1
4	Reduced Energy consumption by Replacing conventional lights with LED in different area like boiler, turbine floor, security gate.	238	3	1
<b>TOTAL</b>			<b>600</b>	<b>263</b>

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

##### Steam:

- ✦ Replacement of 75 TPH & 60 TPH Low pressure Boiler (45 kg/cm<sup>2</sup> with one 135 TPH high pressure Boiler (110 kg/cm<sup>2</sup>) and Installation of 2 new evaporator bodies.

##### Power:

- ✦ Replacement of 3.0 MW X 3 & 1.5 MW X1 inefficient back pressure turbine with new efficient 26.9 MW condensing turbine.
- ✦ Replacement of 7.5 MW inefficient turbine with new efficient turbine.

- ✦ Replacement of conventional street light with LED light.

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

##### SFC Complex - Kota

- ✦ Optimal utilization of hydrogen (which was earlier being dissipated) in caustic soda flaker plant as fuel, substituting furnace oil.

##### SAC - Bharuch

- ✦ Installation of solar lighting system substituting conventional lighting in plant.

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

Major investments on energy conservation equipment are as under:

Particulars	Investment
<b>Power - SFC Kota</b>	
Procurement and installation of new auto recirculation valve (ARC) in 40 MW	0.10
Automation of 40 MW boiler combustion control	0.05
Total (Power – SFC Kota)	0.15
<b>Chemicals - SAC Bharuch</b>	
Modification in ELECTROLYSER-G (asset no.8719288-91)	4.9
Modification in ELECTROLYSER-G (asset no 8719292-95)	4.9
Lighting	2.3
Total (Chemicals-SAC Bharuch)	12.5

### B) Technology Absorption

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

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

- i. Varieties evaluation based on adaptability in our area
- ii. Water conservation technologies trials
  - ✦ Press Mud/FYM application
  - ✦ Land Leveling
  - ✦ Trash mulching
  - ✦ Furrow irrigation
  - ✦ Skip furrow irrigation
- iii. Bio control Measures for control of Borers and Diseases
  - a) Production of Trichogramma, Tetrastichus, Beauveria bassiana & Metarhizium anisopliae, Trichoderma, Azotobacter and Phosphorus Solubilizing Bacteria (PSB).
- iv. Soil nutrient Analysis through soil testing lab.
- v. Bagasse moisture reduction in last mill by vacuum.
- vi. Chemical treatment of Spraypond water.

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

**Sugar Plants - U.P.**

- i. Varieties evaluation based on adaptability in our area:
  - ✦ Gain in recovery
  - ✦ Gain in yield to maximize cane availability.
- ii. Water conservation activities:
  - ✦ Press Mud/FYM application-Water saving by 27 % Approx.
  - ✦ Land leveling-Water saving by 28 % Approx.
  - ✦ Trash Mulching-Water saving by 24 % Approx.
  - ✦ Furrow Irrigation-Water saving by 17 % Approx.
  - ✦ Skip Furrow Irrigation-Water saving by 40 % Approx.
- iii. Bio Control Measures:
  - ✦ Use of Trichogramma, Tetrastichus, Beauveria bassiana & Metarhizium anisopliae, Trichoderma, Azotobacter and Phosphorus Solubilizing Bacteria are eco-friendly and do not cause any health hazards.
  - ✦ These measures reduces cost of controlling pests and diseases by Approx. 60%.
  - ✦ Improvement in Soil Health.
- iv. Soil Test Based fertilizer Application in Crop:
  - ✦ Balance dose of fertilizer will help in maintaining fertility status of soil.
  - ✦ Improvement in yield and juice quality.
  - ✦ Increase in cost-benefit ratio.

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

**SFC Complex - Kota**

**Fertiliser**

a) Technology Imported	Yes, Benfield Low-heat process
b) Year of Import	2015-16
c) Whether technology has been fully absorbed	Yes
d) If technology not fully absorbed, reason for same and future plan of action	N.A.

**Chemical**

a) Technology Imported	Installation of new zero gap cells in Electrolyser # E. Installation of NCH type cell in Electrolyser # D after their zero gap conversion.
b) Year of Import	2015-16
c) Whether technology has been fully absorbed	Yes
d) If technology not fully absorbed, reason for same and future plan of action	N.A.

**Carbide**

a) Technology Imported	New Circular Conveyor Assembly Imported from M/S DHHI, China
b) Year of Import	2015-16
c) Whether technology has been fully absorbed	Yes
d) If technology not fully absorbed, reason for same & future plan of action	N.A.

**Chemical (SAC - Bharuch)**

a) Technology Imported	Component, Spare Part, Capital Goods and Technology Consultancy
b) Year of Import	2016-17, 2015-16, 2014-15
c) Whether technology has been fully absorbed	Yes
d) If technology not fully absorbed, reason for the same & future plan of action	N.A.

**(iv) the expenditure incurred on Research and Development :**

<b>Capital</b>	-	<b>Rs. 0.52 Crores</b>
<b>Revenue</b>	-	<b>Rs. 42.80 Crores</b>

**C) Foreign Exchange Earnings and Outgo**

**Total foreign exchange used and earned:**

	<b>Rs. in Crores</b>
	<b>2016-17</b>
- Total foreign exchange used	<b>266.38</b>
- Total foreign exchange earned	<b>17.40</b>

## Annexure - 8

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
**DCM Shriram Limited**  
(CIN: L74899DL1989PLC034923)  
1<sup>st</sup> Floor, Kanchenjunga Building,  
18, Barakhamba Road, New Delhi- 110001

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

#### **We report that-**

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in

place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) \*The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
  - (e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) \*The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; and
  - (i) The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015.

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

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

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

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

#### → **Agri-Rural Business**

Urea & SSP fertilizers, Sugar, Farm inputs marketing such as DAP,



Crop care Chemicals, Hybrid Seeds.

✦ **Chlor-Vinyl Business**

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

The Company has manufacturing facilities of Fertiliser, Chloro Vinyl & Cement in Kota (Rajasthan). The Company operates coal-based captive power, facilities - in Kota rated at 133 MW and 55 MW in Bharuch (Gujarat). The Urea plant in Kota has a Production capacity of 379,500 TPA & Chlor-Alkali capacity of 780 TPD in both Kota & Bharuch. Further, Sugar factories are located in Ajbapur, Rupapur, Hariawan and Loni in Uttar Pradesh, with a combined installed capacity of 33,000 TCD (tonnes crushed daily). The Hybrid seed operations- 'Bioseed' started in Hyderabad (India) and now have a global footprint with presence in Vietnam, Philippines and Indonesia. Fenesta windows fabrication units are located in Bhiwadi, Hyderabad and Chennai. Following are some of the laws specifically applicable to the Company:-

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

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

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice were given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

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

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

For Sanjay Grover & Associates

Company Secretaries

Firm Registration No.: P2001DE052900

New Delhi

May 01, 2017

Sanjay Grover

Managing Partner

CP No.: 3850

# Corporate Social Responsibility

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

The Company's Corporate Social Responsibility activities are aligned with Schedule VII and Section 135 of Companies Act, 2013. The organization undertakes specific CSR Projects and programs from time to time, in accordance with the CSR Policy of the Company. It strongly believes in engaging with communities through programs that positively impact Human Development. Various initiatives in sectors like Preventive Health, Sanitation, and Livelihood etc. are implemented by experienced teams comprising of both in house managers and NGO partners.

### Overview of Projects / Programs Undertaken

Projects taken up under CSR are designed to meet the needs of identified communities and are aligned to priorities of the Government. Details of CSR initiatives of the Company are described below :



### I. Education, Vocational skills, Livelihood

The Company has instituted scholarship programs in schools and colleges, mostly in rural areas. This program aims to encourage students to pursue higher education, both in technical and non technical streams.

The Company supports higher education by funding premier educational institutions.

The Company promotes programs on livelihood by creating a network of Farmers Group and helps them to improve their farm productivity. Such programs are implemented extensively around its Agri Business locations. It also supports programs on Skill Development.

### II. Preventive Healthcare & Sanitation

DCM Shriram is committed to promote good health and sanitation through its programs that reach out to the community either independently or by supporting Government Health Infrastructure and systems.



'Khushali Sehat' is a well established initiative on Maternal & Child health in Sugar locations. It reaches out to over 7000 families in 30 villages.

Cataract camps are organised in association with reputed hospitals and Government Bodies that provide eyecare to hundreds of elderly persons from economically weaker sections.

Preventive health camps conducted in association with Red Cross Society & Government hospitals are a regular feature of Company's Health initiative in all its units, including Kota, Bharuch, Ajbapur, Hariawan, Loni & Rupapur.

The Company is actively participating in the Swacch Bharat Mission of Government of India. It has improved sanitation infrastructure in around 90 Government schools in Uttar Pradesh, Rajasthan, Gujarat, and Andhra Pradesh. Focus is on upgrading their toilets, supporting routine maintenance and promoting behaviour change around sanitation. It has also initiated efforts to make identified focus villages Open Defecation Free.

### III. Environment

Water conservation continues to be a focus area for CSR programs. The Company has supported Government of Rajasthan's MJSY program by constructing water conservation structures in the districts of Jhalawar & Kota. The Company has undertaken a project to mitigate Water related problems in the district of Hardoi. Water Use Efficiency programs are promoted by the Company in close association with farmers in the command area of its Sugar Factories. With a view to better understand the status of both surface and ground water in this area, the Company is supporting a Hydrological Study of the entire catchment area of its Rupapur Sugar unit.

The Company is conscious of the need to maintain right ecological balance and has created green belts in and around all its facilities.

As part of its Meetha Sona Project, the Company, in association with multilateral partners like IFC & Solidaridad, is sensitising farmers to take up water management and improve Soil Health. It is also assisting farmers in controlling insect pests through use of parasitoids, thus reducing the dependence on chemical pesticides. The parasitoids are being reared in a Bio Control Facility set up by the Company.



### IV. Rural Development

The Company also focuses on infrastructure development activities in the rural areas. This includes Safe drinking water facilities in villages where water quality is poor. It is involved in up-gradation of schools and hospitals, Panchayat Bhawans etc.

Also critical to the rural economy is the promotion of Farm mechanization through a program that promotes rural entrepreneurs. These activities are undertaken in close association & participation of the local community & Gram Panchayats.

### V. Impact Evaluation

CSR Projects of the Company are rigorously monitored and evaluated through Impact Assessment. Results of such evaluations have revealed a high degree of impact of the Company's programs, especially those pertaining to preventive health & sanitation.

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

More details of the CSR policy and programs are available on the Company's website at the following weblink  
<http://www.dcmshriram.com/sites/default/files/CSR-policy.pdf>

### Composition CSR Committee

The CSR Committee comprises of the following Directors :

Mr. Ajay S. Shriram	....	Chairman
Mr. Vikram S. Shriram	....	Member
Mr. Ajit S. Shriram	....	Member
Mr. Sunil Kant Munjal	....	Member
Justice (Retd.) Vikramajit Sen	....	Member
Mr. Pravesh Sharma	....	Member

### Average Net Profit of the Company

The average net profit of the Company for the preceding three years block of 2013 - 14 to 2015 - 16 was Rs. 326 Crores. The prescribed expenditure on CSR, for the year 2016 - 17 was Rs. 6.52 Crores.

### Details of CSR Spent

During the year 2016-17, the Company spent Rs. 6.60 Crores towards various programs and projects of CSR. The details are provided in the Annual Report of CSR as attached (Annexure).



## Annexure

### Annual Report on Corporate Social Responsibility(CSR) activities for the financial year 2016 - 17

1	2	3	4	5	6	7	8
S. No.	CSR project or activity identified	Sector in which the project is covered	Specify the state and district where projects or programs was undertaken	Amount outlay (budget) (Rs. lakhs)	Amount spent on the projects Sub heads - (1) Direct expenditure (2) Overheads (Rs. lakhs)	Cumulative expenditure upto the reporting period (Rs. lakhs)	Amount spent: Direct or through implementing agency
1	Maternal and child health program, Preventive Eye care program Preventive health camps, Sanitation program for schools & community	Preventive healthcare and Sanitation	Distts. Lakhimpur Kheri & Hardoi in Uttar Pradesh; Distt. Kota in Rajasthan	118	91	91	Directly and in association with Vinoba Sewa Ashram, Gram Swaraj Mission Ashram, Sarvodaya Ashram
	<b>Sub total (1)</b>			<b>118</b>	<b>91</b>	<b>91</b>	
2	Water conservation through construction of tanks, check dam etc. Land levelling, trash mulching, Increasing Green Cover	Environmental sustainability	Distt. Kota in Rajasthan; Distts. Lakhimpur Kheri & Hardoi in Uttar Pradesh	192	157	157	Directly and in association with NM Sadguru Water & Development Foundation
	Soil health program, Program on Bio Control of pests to reduce dependence on chemical pesticides		Distts. Hardoi & Lakhimpur Kheri in Uttar Pradesh	22	35	35	Direct
	<b>Sub total (2)</b>			<b>214</b>	<b>192</b>	<b>192</b>	
3	Promotion of Rural Entrepreneurs	Rural development	Distts. Lakhimpur Kheri & Hardoi in Uttar Pradesh	5	4	4	Direct
	Construction/repair of village roads, school buildings, tube wells, RO Plant etc. Aid to hailstorm affected villages		Distt. Bharuch in Gujarat; Distt. Hyderabad in Telengana; Distts. Lakhimpur Kheri & Hardoi in Uttar Pradesh, Distt. Kota in Rajasthan	75	96	96	
	<b>Sub total (3)</b>			<b>80</b>	<b>100</b>	<b>100</b>	
4	Scholarship to students, Contribution to educational institutions, Promoting handicraft	Promoting education, vocational skills, livelihood	Distt. Kota in Rajasthan; Haryana; Punjab; Delhi; Distt. Hyderabad in Telengana; Distt. Kolkata in West Bengal	210	247	247	Direct
	<b>Sub total (4)</b>			<b>210</b>	<b>247</b>	<b>247</b>	
5	Salary & capacity building of staff	Overheads		30	30	30	Direct
	<b>Grand Total</b>			<b>652</b>	<b>660</b>	<b>660</b>	

#### CSR Committee's Responsibility Statement

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

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

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



# Corporate Governance Report 2016-17

## (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 of Corporate Governance under the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations, 2015].

## (B) Board of Directors

As at 31.3.2017, there were twelve (12) Directors comprising five (5) Executive Directors including an Executive Chairman, six (6) Non-Executive Independent Directors and one (1) Nominee Director.

During the year, four Board Meetings were held on 10.5.2016, 9.8.2016, 27.10.2016 and 13.2.2017.

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

The composition of Board of Directors, their attendance at Board Meetings during the year 2016-17 and at the last Annual General Meeting duly held on 9.8.2016 along with details of other Directorship and Committee Membership/Chairmanship as at 31.3.2017 are as follows:

Name of Director	Category of Directorship	No. of Board meetings attended	Attended last AGM	No. of other Directorship <sup>#</sup>	No. of other Committee Membership <sup># #</sup>	
					Member (including Chairmanship)	Chairman/ Chairperson
Mr. Ajay S. Shriram (Chairman & Senior Managing Director)	Promoter & ED	4	YES	6	-	-
Mr. Vikram S. Shriram (Vice Chairman & Managing Director)	Promoter & ED	3	YES	6	-	-
Mr. Ajit S. Shriram (Joint Managing Director)	Promoter & ED	4	YES	7	1	-
Mr. K.K. Kaul (Whole Time Director)	ED	4	YES	2	-	-
Dr. N.J. Singh (Whole Time Director [EHS])	ED	4	YES	-	-	-
Mr. Pradeep Dinodia	NE-I-D	4	YES	6	6	2
Mr. Vimal Bhandari	NE-I-D	3	YES	7	4	2
Mr. Sunil Kant Munjal	NE-I-D	3	YES	3	2	-
Mrs. Ramni Nirula	NE-I-D	4	YES	9	9	4
Mr. Sharad Shrivastva (LIC Nominee)	Nominee Director	2	YES	-	-	-
Justice (Retd.) Vikramajit Sen*	NE-I-D	1	N.A.	1	-	-
Mr. Pravesh Sharma*	NE-I-D	3	N.A.	1	-	-
Dr. S. S. Bajjal**	NE-I-D	1	YES	-	-	-
Mr. Arun Bharat Ram**	NE-I-D	-	YES	-	-	-
Mr. D. Sengupta**	NE-I-D	1	NO	-	-	-

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

<sup># #</sup> Includes only Audit Committee and Stakeholders Relationship Committee.

\* Appointed w.e.f.9.8.2016

\*\* Dr. S.S. Bajjal, Mr. Arun Bharat Ram and Mr. D. Sengupta ceased to be Directors of the Company due to completion of their tenure with the Company w.e.f. 9.8.2016.

ED- Executive Director

NE-I-D- Non-Executive Independent Director

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



### Relationship amongst Directors

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

### Number of Shares held by Non-Executive Directors as on 31<sup>st</sup> March, 2017

Name of Directors	No. of Shares held	%age of Shareholding
Mr. Pradeep Dinodia	29,270	0.01
Mr. Vimal Bhandari	2,000	0.00

None of the other Independent Directors holding office as on 31<sup>st</sup> March, 2017 hold any shares in the Company. There are no Convertible Instruments issued by the Company.

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

<http://dcmshriram.com/sites/default/files/Details%20of%20Familiarization%20Programme%20for%20Independent%20Directors%202016-17.pdf>

### (C) Board Audit Committee

#### (i) Terms of reference

The role and terms of reference of Board Audit Committee covers areas mentioned in Regulation 18 of SEBI Listing Regulations, 2015 and Section 177 of the Companies Act, 2013, besides other matters as may be delegated by the Board of Directors from time to time.

#### (ii) Composition

The Board Audit Committee was constituted in 1990. As at 31.3.2017, the Committee comprises of four (4) Non-Executive Independent Directors. The Committee met five (5) times during the year on 10.5.2016, 8.8.2016, 27.10.2016, 13.2.2017 & 17.2.2017 and attendance of the Members at the meetings was as follows:

Name of Member	Status	No. of meetings attended
Mr. Pradeep Dinodia*	Chairman	5
Mrs. Ramni Nirula*	Member	3
Mr. Sunil Kant Munjal*	Member	2
Mr. Pravesh Sharma**	Member	1
Dr. S. S. Bajjal <sup>#</sup>	Chairman	2
Mr. Arun Bharat Ram <sup>#</sup>	Member	-
Mr. D.Sengupta <sup>#</sup>	Member	2

\* Mr. Pradeep Dinodia, appointed as Chairman and Mrs. Ramni Nirula and Mr. Sunil Kant Munjal as Members of the Committee w.e.f. 9.8.2016.

\*\* Appointed w.e.f. 13.2.2017.

<sup>#</sup> Dr. S.S. Bajjal, Mr. Arun Bharat Ram and Mr. D. Sengupta ceased to be

Chairman / Members of the Board Audit Committee due to completion of their tenure with the Company w.e.f. 9.8.2016.

### (D) Nomination, Remuneration and Compensation Committee

#### (i) Terms of reference

The rules and terms of reference of the Nomination, Remuneration and Compensation Committee cover areas mentioned in Regulation 19 of SEBI Listing Regulations, 2015 and Section 178 of the Companies Act, 2013 read with related Rules as applicable and other matters as may be delegated by the Board of Directors from time to time.

#### (ii) Composition

As at 31.3.2017, the Committee comprises of three (3) Non-Executive Independent Directors and one (1) Executive Director. The Committee met three (3) times during the year on 10.5.2016, 8.8.2016 and 13.2.2017 and the attendance of the Members at the meetings was as follows:

Name of Member	Status	No. of meetings attended
Mr. Pradeep Dinodia*	Chairman	3
Mr. Ajay S. Shriram	Member	3
Mr. Vimal Bhandari*	Member	1
Mr. Sunil Kant Munjal*	Member	1
Dr. S.S. Bajjal <sup>#</sup>	Chairman	2
Mr. D. Sengupta <sup>#</sup>	Member	2

\* Mr. Pradeep Dinodia, appointed as Chairman and Mr. Vimal Bhandari and Mr. Sunil Kant Munjal as Members of the Committee w.e.f. 9.8.2016

<sup>#</sup> Dr. S.S. Bajjal and Mr. D. Sengupta ceased to be Chairman/Member of the Nomination, Remuneration and Compensation Committee due to completion of their tenure with the Company w.e.f. 9.8.2016.

#### (iii) Performance Evaluation criteria

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

✦ Fulfillment of responsibilities as a director as per the Companies Act 2013, the SEBI Listing Regulations, 2015 and applicable Company policies and practices;
✦ In case of the concerned director being Independent Director, Executive Director, Chairperson of the Board or Chairperson or Member of the Committees, with reference to such status and role;
✦ Board and/or Committee meetings attended; and
✦ General meetings attended.

**(iv) Remuneration of Directors**

- (a) During the current financial year, there was no material pecuniary relationship or transaction between the Company and any of its Non-Executive directors which is required to be disclosed.
- (b) Criteria of making payments to Non-Executive Directors is as per Remuneration Policy attached as Annexure – 3 of the Board's Report of the Company which forms part of this Annual Report.

**(v) Details of remuneration of Directors for the year 2016-17**

- (i) Non Executive Directors :-** The details of remuneration paid/payable during the year by way of sitting fee and commission for attending meetings of Board/Committees thereof by Non-Executive Directors as on 31.3.2017 in the Company are as under:

Name of the Director	Amount / Rs. Lakhs		
	Sitting Fee	Commission	Total
Mr. Pradeep Dinodia	9.90	44.50	54.40
Mr. Vimal Bhandari	2.65	16.50	19.15
Mr. Sunil Kant Munjal	3.85	19.50	23.35
Mrs. Ramni Nirula	4.20	19.50	23.70
Mr. Pravesh Sharma*	2.65	16.50	19.15

\*Appointed w.e.f. 9.8.2016

\*\* Payment made to LIC of India

# Dr. S.S. Baijal, Mr. Arun Bharat Ram and Mr. D. Sengupta ceased to be Directors of the Company due to completion of their tenure with the Company w.e.f. 9.8.2016.

Name of the Director	Amount / Rs. Lakhs		
	Sitting Fee	Commission	Total
Justice (Retd.) Vikramajit Sen*	0.75	13.50	14.25
Mr. Sharad Shrivastva (LIC Nominee)**	1.50	14.50	16.00
Dr. S.S. Baijal#	3.50	18.21	21.71
Mr. Arun Bharat Ram#	-	5.21	5.21
Mr. D. Sengupta#	3.00	12.21	15.21

**(ii) Executive Directors**

(Amount/Rs. Lakhs)

Executive Directors	Salary	P. F.	Super-Annuation	Allowances / Perquisites / Others	Commission	Stock Options	Total
Mr. Ajay S. Shriram*	163.20	19.58	24.48	106.91	350.00	--	664.17
Mr. Vikram S. Shriram*	159.60	19.15	23.94	96.84	345.00	-	644.53
Mr. Ajit S. Shriram**	121.20	14.54	18.18	89.41	330.00	-	573.33
Mr. K.K. Kaul***	75.72	9.09	8.52	53.57	50.00	-	196.90
Dr. N.J. Singh****	34.80	4.18	5.22	25.39	14.00	-	83.59

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

\*\* Re-appointed w.e.f. 2.5.2016 for a period of 5 years.

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

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

No Sitting fee has been paid to the Executive Directors.

- I. Provision for incremental gratuity and earned leave for the current year has not been considered, since the provision is based on actuarial basis for the Company as a whole.
- II. Notice period for termination of appointment of Managing/Whole Time Directors is six 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, 2013 or any statutory amendment or re-enactment thereof.
- IV. The Commission is paid to Executive Directors as approved by the Board of Directors.

**(E) Stakeholders' Relationship Committee**
**(i) Terms of reference**

1. To consider and resolve the grievances of security holders of the Company including Shareholders, debenture holders and any other security holders.
2. Others
  - a. to scrutinize and approve registration of transfer and transmission of shares/debentures/warrants issued/to be issued by the Company.
  - b. to exercise all powers conferred on the Board of Directors under Article 43 of the Articles of Association.
  - c. to decide all questions and matters that may arise in regard to transmission of shares/debentures/warrants issued/to be issued by the Company.
  - d. to approve and issue duplicate shares/debentures/warrant certificates in lieu of those reported lost, and arrange for printing of blank share certificates, as per requirement.

- e. to refer to the Board any proposal of refusal of registration of transfer of shares/debentures/warrants for their consideration.
- f. to look into shareholders and investors complaints like transfer of shares, non-receipt of annual reports, non-receipt of declared dividend warrants, etc.,
- g. printing of Share Certificates, and
- h. to delegate all or any of its powers to Officers/Authorised Signatories of the Company.

#### (ii) Composition

The Committee comprises of one (1) Independent Non-Executive Director and three (3) Executive Directors. The Committee met nine (9) times during the year on 4.4.2016, 19.4.2016, 10.8.2016, 3.10.2016, 17.10.2016, 8.11.2016, 9.1.2017, 28.2.2017 & 14.3.2017 and the attendance of the Members at the meetings was as follows:

Name of Member	Status	No. of meetings attended
Mr. Pradeep Dinodia	Chairman	9
Mr. Ajay S. Shriram	Member	9
Mr. Vikram S. Shriram	Member	9
Mr. Ajit S. Shriram*	Member	6
Dr. S.S. Bajjal <sup>#</sup>	Member	2

\* Appointed w.e.f. 9.8.2016.

<sup>#</sup> Dr. S.S. Bajjal ceased to be Member of the Stakeholders' Relationship Committee due to completion of their tenure with the Company w.e.f. 9.8.2016

Mr. Sameet Gambhir, Company Secretary is the Compliance Officer of the Company.

During the year, 10 Complaints were received from the shareholders and all of them were resolved to the full satisfaction of the shareholders.

#### (F) Other Committees

##### (i) Board Finance Committee

###### Composition:-

The Committee comprises of four (4) Executive Directors. The Committee met eight (8) times during the year on 5.5.2016, 20.7.2016, 4.10.2016, 27.10.2016, 20.12.2016, 27.12.2016, 8.2.2017 & 13.2.2017 and the attendance of the Members at the meetings was as follows:

Name of Member	Status	No. of meetings attended
Mr. Ajay S. Shriram	Chairman	8
Mr. Vikram S. Shriram	Member	7
Mr. Ajit S. Shriram	Member	6
Mr. K.K. Kaul*	Member	5
Dr. S.S. Bajjal <sup>#</sup>	Member	2
Mr. D. Sengupta <sup>#</sup>	Member	2

\* Appointed w.e.f. 9.8.2016

<sup>#</sup> Dr. S.S. Bajjal and Mr. D. Sengupta ceased to be Members of the Board Finance Committee due to completion of their tenure with the Company w.e.f. 9.8.2016.

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

###### Composition:-

The Committee comprises of three (3) Executive Directors and three (3) Non Executive Directors. The Committee met once during the year on 10.5.2016 and the attendance of the Members at the meetings was as follows:

Name of Member	Status	No. of meetings attended
Mr. Ajay S. Shriram	Chairman	1
Mr. Vikram S. Shriram	Member	1
Mr. Ajit S. Shriram	Member	1
Mr. Sunil Kant Munjal	Member	1
Mr. Praveesh Sharma*	Member	-
Justice (Retd.) Vikramajit Sen*	Member	-
Mr. Pradeep Dinodia <sup>#</sup>	Member	1

\* Appointed w.e.f. 9.8.2016.

<sup>#</sup> Mr. Pradeep Dinodia ceased to be Member of the Committee w.e.f. 9.8.2016.

#### (G) General Body Meetings

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2015-16	9.8.2016	10.00 A.M.	Air Force Auditorium, Subroto Park, New Delhi
2014-15	18.8.2015	10.00 A.M.	Air Force Auditorium, Subroto Park, New Delhi
2013-14	12.8.2014	10.00 A.M.	Air Force Auditorium, Subroto Park, New Delhi

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

##### AGM 2016

- Approval of increase in the number of maximum Directors on the Board of the Company upto 18 Director.

##### AGM 2015

- Approval of re-appointment of Mr. Ajit S. Shriram as Joint Managing Director under Sections 196, 197 read with Schedule V and rules 3 & 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 for a period of five years w.e.f. 2.5.2016.
- Approval to the Board of Directors under Sections 73, 76 and other applicable provisions, if any, of the Companies Act, 2013 to invite and accept unsecured deposits from time to time from

Members/Employees and Public as per the scheme approved by the Board of Directors of the Company.

- Approval under Section 188(1)(f) of the Companies Act, 2013 and other applicable provisions for the revision of remuneration of Mr. Aditya A. Shriram, Sr. Vice President.
- Approval under Section 188(1)(f) of the Companies Act, 2013 and other applicable provisions for the revision of remuneration of Mr. Anand A. Shriram, General Manager.
- Approval of the Members under Section 94 of the Companies Act, 2013, to keep certain statutory records at a place other than Registered Office of the Company.

#### **AGM 2014**

- Approval of appointment of Mr. K.K. Kaul, as Whole Time Director under Sections 196 and 197 and other applicable provisions, if any, of the Companies Act, 2013 for a period of upto five years as may be decided by the Board of Directors w.e.f. 2.7.2014.
- Consent to the Board of Directors/Committee thereof under Section 180 and other applicable provisions, if any, of the Companies Act, 2013 to borrow at any time any sum or sums of money not exceeding Rs.2500 Crores.
- Approval to the Board of Directors/Committee thereof under Section 180 and other applicable provisions, if any, of the Companies Act, 2013 to create such charge(s), mortgage(s) and hypothecation(s) in addition to the existing charges, mortgages and hypothecations created by the Company on such movable and immovable properties both present and future of the Company, for an amount not at any time exceed the limit of Rs.2500 Crores.
- Approval to the Board of Directors under Sections 73, 76 and other applicable provisions, if any, of the Companies Act, 2013 to invite and accept unsecured deposits from Members/Employees and Public as per the scheme approved by the Board of Directors of the Company.
- Insertion of the following at the end of Article 87 of the Articles of Association of the Company: Managing Director and/or Chief Executive Officer of the Company shall be the Chairperson of the Company.
- Approval under Section 197 and other applicable Rules and provisions, if any, of the Companies Act, 2013 for payment of sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Sections 197 and 198 of the Companies Act, 2013, to all or some or any of the Directors who are neither the Managing Directors nor the Whole Time Directors of the Company in such amounts or proportions and in such manner as may be determined by the Board of Directors.

#### **SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT**

- During the financial year 2016-17, no Special Resolution was passed through Postal Ballot.
- As on date, no Special Resolution is proposed to be conducted through Postal Ballot.

#### **(H) Means of Communication**

The Company interacts with its Investors through multiple forms of corporate and financial communications such as annual reports, result announcements and media releases. Quarterly results are usually published in English and Hindi daily newspapers, viz., Business Standard. These results are also made available on the website of the Company [www.dcmshriram.com](http://www.dcmshriram.com) and also posted at the online portal of NSE and BSE. The Company's website also displays official news releases and presentations made to the Institutional Investors or to the Analysts. The Company has interacted with analysts and investors during the year under review through meetings and conference calls.

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

- (i) Next Annual General Meeting is proposed to be held on Tuesday, 1<sup>st</sup> August, 2017 at 11:00 AM at Air Force Auditorium, Subroto Park, New Delhi.
- (ii) **Financial Year:** 1<sup>st</sup> April to 31<sup>st</sup> March.
- (iii) **Dividend payment date:** Dividend, if declared in the ensuing 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.
- (iv) **Listing on Stock Exchanges and Stock Codes:**

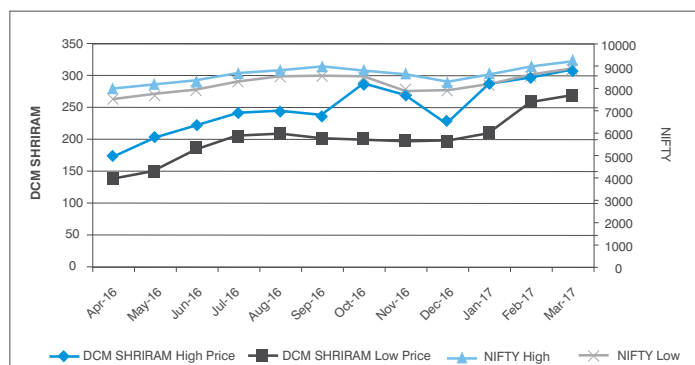
The names of Stock Exchanges at which Company's Shares are listed, Symbol/Scrip Code and status of payment of listing fees are as under:

<b>Name and Address of the Stock Exchange</b>	<b>Scrip Symbol/ Code</b>	<b>Status of fee paid</b>
<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	DCMSHRIRAM	Paid
<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	523367	Paid

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

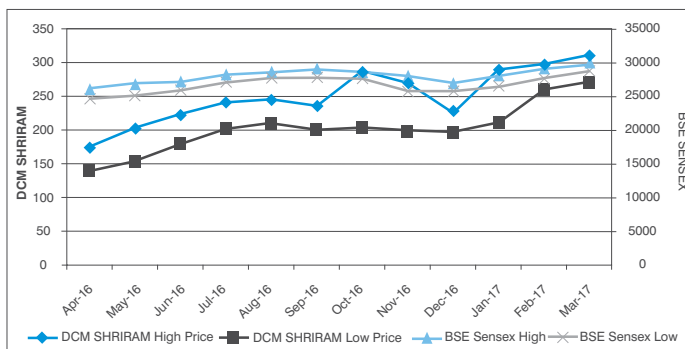
**(vi) Equity Share Price data for the year 2016-17**
**Equity Share Price on NSE and NIFTY Index**

Month	Share Price on NSE		NIFTY Index	
	High	Low	High	Low
<b>2016</b>				
April	173.90	138.00	7992.00	7516.85
May	203.35	150.50	8213.60	7678.35
June	222.00	186.50	8308.15	7927.05
July	241.90	205.00	8674.70	8287.55
August	244.95	210.20	8819.20	8518.15
September	236.90	201.00	8968.70	8555.20
October	286.70	202.00	8806.95	8506.15
November	269.35	198.05	8669.60	7916.40
December	228.55	196.35	8274.95	7893.80
<b>2017</b>				
January	287.70	210.85	8672.70	8133.80
February	296.90	260.80	8982.15	8537.50
March	309.80	270.05	9218.40	8860.10


**Equity Share Price on BSE and BSE SENSEX**

Month	Share Price on BSE		BSE Sensex	
	High	Low	High	Low
<b>2016</b>				
April	174.70	139.10	26100.54	24523.20
May	203.00	153.00	26837.20	25057.93
June	221.70	180.00	27105.41	25911.33
July	241.65	202.15	28240.20	27034.14
August	245.00	210.00	28532.25	27627.97
September	236.50	201.00	29077.28	27716.78
October	286.45	202.70	28477.65	27488.30
November	269.85	198.00	28029.80	25717.93
December	228.00	195.85	26803.76	25753.74

<b>2017</b>				
January	287.90	211.70	27980.39	26447.06
February	297.00	261.00	29065.31	27590.10
March	309.90	270.35	29824.62	28716.21


**(vii) Registrar and Share Transfer Agent:**

M/s. MCS Share Transfer Agent Limited are the Registrar and Share Transfer Agent for shares and debentures of the Company - both in physical and electronic mode.

**(viii) Share Transfer System:**

The Company's shares are traded in the Stock Exchanges compulsorily in DEMAT mode. Physical shares, which are lodged with the Company for transfer, are processed and returned to the Members within a period of 15 days.

**(ix) Distribution of Shareholding as on 31.3.2017**

No. of Shares		Shareholders	
From	To	Number	% to total no. of Shareholders
1	500	36978	86.70
501	1000	2549	5.98
1001	2000	1506	3.53
2001	3000	519	1.22
3001	4000	267	0.63
4001	5000	190	0.44
5001	10000	280	0.66
10001	50000	288	0.67
50001	100000	31	0.07
100001 and Above		41	0.10
<b>Total</b>		<b>42649</b>	<b>100.00</b>

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

As on 31.3.2017, 88.44% of the total eligible Equity Shares were in dematerialized form and the balance 11.56% shares in physical form. The Company has not issued any GDRs/ADRs/warrants or any convertible instruments, which are pending for conversion.



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

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

**(xii) Plant Locations**

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

**(xiii) Address for Correspondence**

The Company's Registered Office is situated at 1<sup>st</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi-110001.

Correspondence by the shareholders should be addressed to:

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

**(J) Other 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.

The Company has established a Vigil Mechanism/Whistle Blower Policy as per the requirement of the SEBI Listing Regulations, 2015 and the Companies Act, 2013. It is affirmed that no personnel was denied access to the Board Audit Committee.

- (iii) The Company is complying with all the mandatory requirements of SEBI Listing Regulations, 2015 as applicable.
- (iv) The Company has formulated a Policy for determining 'Material' Subsidiaries, which is also available on Company's website at the following web link:  
<http://dcmshriram.com/sites/default/files/MATERIAL%20SUBSIDIARY%20POLICY%20-%20FINAL.pdf>
- (v) The Company has formulated a Policy on dealing with Related Party Transactions, which is also available on Company's website at the following web link:  
<http://dcmshriram.com/sites/default/files/Related%20Party%20Transaction%20-%20Final%20%28BM-12.11.2014%29.pdf>
- (vi) The Company is in compliance with corporate governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI Listing Regulations.

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

In compliance to the provisions of SEBI Listing Regulations, 2015, the Board has laid down a Code of Conduct for all Board Members and Senior Management Team. A copy of the said Code of Conduct is available on the website of the Company at the following web link: <http://www.dcmshriram.com/code-of-conduct>

All Board Members and Senior Management Team have affirmed compliance of Code of Conduct as on 31.3.2017 and a declaration to that effect signed by Chairman & Senior Managing Director is attached and forms part of this report.

**Place: New Delhi**  
**Date: May 01, 2017**

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

**Declaration regarding Compliance of Code of Conduct**

I, **Ajay S. Shriram, Chairman & Senior Managing Director and CEO** of **DCM Shriram Limited** hereby declare that all Board Members and Senior Management Team have affirmed compliance of the Code of Conduct for the year ended March 31, 2017.

**Place: New Delhi**  
**Date : May 01, 2017**

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

**Auditors Certificate on the Compliance of conditions of Corporate Governance under Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015**

To

**The Members of  
DCM Shriram Limited**

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

1. This certificate is issued in accordance with the terms of our engagement letter reference no. VA/2016-17/DCM Shriram 1 dated August 29, 2016.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of DCM Shriram Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**Managements' Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. 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)

Vijay Agarwal  
Partner  
(Membership No.094468)

Place : Gurgaon  
Date : May 01, 2017

# Independent Auditor's Report

## TO THE MEMBERS OF DCM SHRIRAM LIMITED

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **DCM SHRIRAM LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit

procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 015125N)  
**Vijay Agarwal**  
(Partner)  
(Membership No. 094468)

Place : New Delhi  
Date : May 1, 2017

#### **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the internal financial controls over financial reporting of **DCM SHRIRAM LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of

reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting

may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Vijay Agarwal**

(Partner)

(Membership No. 094468)

Place: New Delhi

Date: May 1, 2017

### ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds provided to us, we report that, the title deeds, comprising the immovable properties of land (freehold) and buildings, are held in the name of the Company and in case where such immovable properties has been transferred pursuant to the scheme of amalgamation under section 391 to 394 of the Companies Act, 1956, the transfer is through the Order of the Hon'ble High Courts. Further, freehold land located at Hyderabad measuring 5.03 acres amounting to Rs.1.56 crores and freehold lands located at Uttar Pradesh measuring 7.79 hectares amounting to Rs. 0.70 crores are pending for registration in favour of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no

material discrepancies were noticed on physical verification.

- (iii) According to the information and explanations given to us, the Company has, during the year, granted unsecured loans aggregating to Rs. 84.13 crores to three wholly owned subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013. At the year end, the loans granted to five subsidiaries aggregate to Rs. 183.50 crores (net of provision of Rs.7.01 crores). These loans include interest free loan of Rs. 30.78 crores (including Rs 11.45 crores classified as investment) made to a wholly owned subsidiary, which, as explained to us, have been made for setting up new projects. In respect of these loans:
- (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest after considering the purpose for which loans have been granted as indicated above.
- (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- (c) There is no overdue amount remaining outstanding as at the year-end for more than 90 days.

The reporting under clauses (iii) (b) and (c) above has been done without considering the loan amount of Rs 7.01 crores in respect of one subsidiary and interest aggregating Rs. 24.67 crores in respect of three subsidiaries which has been provided/written-off in the books.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans and making investments.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in respect of contravention of the above said sections and the relevant rules.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of Sugar, Cement, Fertilizer, Chemicals, PVC Resin, UPVC doors and windows, and electrical energy businesses. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a



detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax/ Value Added Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved* (Rs. in crores)	Amount paid under protest (Rs. in crores)	Amount Unpaid (Rs. in crores)
Central Excise Law	Excise Duty	Appellate Authority upto Commissioner's level	2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14	0.48	0.05	0.43
		Customs, Excise and Service Tax Appellate Tribunal	1997-98, 2004-05, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 2013-14	4.31	0.41	3.90
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	2005-06, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13	31.83	31.71	0.12
Income-tax Act, 1961	Income-tax	Appellate Authority upto Commissioner's level	2010-11, 2011-12, 2012-13	6.44	6.44	-
		Income Tax Appellate Tribunal	2009-10	2.21	2.21	-
Customs Act, 1962	Customs Duty	Customs, Excise and Service Tax Appellate Tribunal	2012-13	5.38	0.54	4.84
Sales Tax Laws	Sales Tax	Appellate Authority upto Commissioner's level	1983-84, 2001-02, 2005-06, 2007-08, 2010-11, 2011-12, 2012-13, 2013-14	1.60	0.34	1.26
		Appellate Tribunal	1994-95, 2009-10	2.39	0.95	1.44

\* Amount as per demand orders including interest and penalty wherever indicated in the order.

The following matter has been decided in favour of the Company although the department has preferred appeal at higher levels:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. crores)
Sales Tax Laws	Value Added Tax	Rajasthan Tax Board	2008-09, 2009-10, 2010-11, 2011-12	3.65
Central Excise law	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	2005-06, 2013-14	2.45
Income-tax Act, 1961	Income-tax	High Court	2001-02	1.31
		Income Tax Appellate Tribunal	2009-10, 2010-11	2.83



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and government and dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanation given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) 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 by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone IND AS financial statements etc. as required by the applicable Indian accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or joint venture company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 015125N)  
**Vijay Agarwal**  
(Partner)  
(Membership No. 094468)

Place: New Delhi  
Date: May 1, 2017

# Standalone Balance Sheet As At March 31, 2017

	Note	As at March 31, 2017 Rs. Crores	As at March 31, 2016 Rs. Crores	As at April 1, 2015 Rs. Crores
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2.1	1,895.89	1,308.96	1,317.96
Capital work -in- progress	2.1	28.29	325.30	27.85
Investment property	2.2	6.76	6.88	6.98
Intangible assets	2.3	27.49	26.70	3.87
Intangible assets under development	2.3	4.25	0.03	2.70
Financial assets				
Investments	3.1	26.07	91.97	56.13
Trade receivables	3.2	1.89	2.41	2.73
Loans	3.3	127.97	124.90	123.06
Other financial assets	3.4	39.35	39.87	41.27
Deferred tax assets (net)	4	85.53	8.29	-
Other non-current assets	5	65.68	105.36	55.52
<b>Total non-current assets</b>		<b>2,309.17</b>	<b>2,040.67</b>	<b>1,638.07</b>
<b>Current assets</b>				
Inventories	6	1,582.11	1,277.55	1,079.80
Financial assets				
Trade receivables	7.1	977.41	1,254.94	1,007.25
Cash and cash equivalents	7.2	188.33	24.63	74.06
Bank balances other than cash and cash equivalents	7.3	7.68	6.01	9.38
Loans	7.4	61.02	36.33	26.45
Other financial assets	7.5	30.29	69.40	61.50
Current tax assets (net)	8	11.63	6.43	16.61
Other current assets	9	256.79	178.74	182.31
<b>Total current assets</b>		<b>3,115.26</b>	<b>2,854.03</b>	<b>2,457.36</b>
Assets classified as held for sale	10	115.13	104.45	126.58
<b>Total assets</b>		<b>5,539.56</b>	<b>4,999.15</b>	<b>4,222.01</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	11	32.64	32.64	32.64
Other equity	12	2,507.49	2,104.35	1,805.59
<b>Total equity</b>		<b>2,540.13</b>	<b>2,136.99</b>	<b>1,838.23</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	13.1	471.94	257.15	300.42
Other financial liabilities	13.2	4.02	6.27	7.47
Provisions	14	183.55	164.68	146.60
Deferred tax liabilities (net)	4	-	-	20.75
Other non-current liabilities	15	0.92	1.00	0.02
<b>Total non-current liabilities</b>		<b>660.43</b>	<b>429.10</b>	<b>475.26</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	16.1	507.98	723.34	324.20
Trade payables	16.2	1,154.21	1,126.87	1,076.52
Other financial liabilities	16.3	194.87	252.69	199.96
Provisions	17	40.29	28.63	26.29
Other current liabilities	18	433.40	298.41	278.94
<b>Total current liabilities</b>		<b>2,330.75</b>	<b>2,429.94</b>	<b>1,905.91</b>
Liabilities associated with assets classified as held for sale		8.25	3.12	2.61
<b>Total equity and liabilities</b>		<b>5,539.56</b>	<b>4,999.15</b>	<b>4,222.01</b>

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

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

For and on behalf of the Board of Directors

Vijay Agarwal  
Partner

Sameet Gambhir  
Company Secretary

J.K. Jain  
Chief Financial Officer

Pradeep Dinodia  
Director  
DIN: 00027995

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

New Delhi  
May 1, 2017

# Statement of Standalone Profit and Loss For The Year Ended March 31, 2017

	Note	Year ended March 31, 2017 Rs. Crores	Year ended March 31, 2016 Rs. Crores
Revenue from operations	19	6,060.94	5,984.91
Other income	20	54.20	55.94
<b>Total income</b>		<b>6,115.14</b>	<b>6,040.85</b>
<b>Expenses</b>			
Cost of materials consumed		2,099.27	1,718.20
Purchases of stock-in-trade		1,172.48	1,888.66
Changes in inventories of finished goods, stock-in-trade and work-in-progress	21	(249.28)	(210.40)
Excise duty on sale of goods		328.48	249.52
Employee benefits expense	22	503.40	460.72
Finance costs	23	72.89	84.87
Depreciation and amortisation expense	24	111.07	94.90
Other expenses	25	1,400.70	1,339.30
<b>Total Expenses</b>		<b>5,439.01</b>	<b>5,625.77</b>
<b>Profit before exceptional items and tax</b>		<b>676.13</b>	<b>415.08</b>
<b>Exceptional item:</b>			
Provision for impairment of investments in foreign subsidiaries (Bioseed business)		85.12	-
<b>Profit before tax</b>		<b>591.01</b>	<b>415.08</b>
<b>Tax expense</b>			
Tax expense	26		
- Current tax		39.59	64.46
- Deferred tax		40.40	(2.37)
- Tax adjustments related to earlier years		(11.05)	-
<b>Total tax expense</b>		<b>68.94</b>	<b>62.09</b>
<b>Profit after tax</b>		<b>522.07</b>	<b>352.99</b>
<b>Other comprehensive income</b>			
<b>(i) Items that will not be re-classified to profit or loss:</b>			
- Remeasurements of defined benefit obligation (net)	32 (ii)	(12.84)	(2.55)
Income tax relating to items that will not be re-classified to profit or loss.		4.45	0.88
<b>(ii) Items that may be re-classified to profit or loss:</b>			
- Effective portion of gain and loss on designated portion of hedging instruments in a cash flow hedge	12.7	0.43	0.43
- Net change in fair values of time value of hedging instruments in a cash flow hedge	12.7	0.98	(1.48)
Income tax relating to items that may be re-classified to profit or loss.		(0.49)	0.36
<b>Total other comprehensive income (net of tax)</b>		<b>(7.47)</b>	<b>(2.36)</b>
<b>Total comprehensive income</b>		<b>514.60</b>	<b>350.63</b>
<b>Earnings per equity share-basic/diluted (Rs.)</b>			
- Before exceptional item	27	37.06	21.73
- After exceptional item		32.14	21.73

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

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Partner

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Company Secretary

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Director  
DIN: 00027995

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

New Delhi  
May 1, 2017

# Statement of Standalone Changes In Equity For The Year Ended March 31, 2017

Rs. Crores

	Equity Share Capital	Other Equity								Total other Equity	Total Equity
		Reserves and surplus						Other comprehensive income			
		Securities premium reserve	Capital redemption reserve	Storage fund for molasses account	General reserve	Surplus in Statement of profit and loss	Shares held by Trust under ESPS Scheme	Cash flow hedging reserve	Cost of hedging reserve		
<b>As at April 1, 2015</b>	<b>32.64</b>	<b>32.67</b>	<b>9.11</b>	<b>1.16</b>	<b>830.14</b>	<b>942.94</b>	<b>(10.43)</b>	<b>-</b>	<b>-</b>	<b>1,805.59</b>	<b>1,838.23</b>
Profit for the year	-	-	-	-	-	352.99	-	-	-	352.99	352.99
Movements related to employees stock purchase scheme	-	-	-	-	0.16	-	-	-	-	0.16	0.16
Dividend on shares held by ESPS trust	-	-	-	-	-	0.57	-	-	-	0.57	0.57
Dividends on equity shares	-	-	-	-	-	(45.48)	-	-	-	(45.48)	(45.48)
Corporate dividend tax	-	-	-	-	-	(9.26)	-	-	-	(9.26)	(9.26)
Shares granted to employees under ESPS	-	-	-	-	-	-	2.14	-	-	2.14	2.14
Transfer to/(from) storage fund for molasses	-	-	-	0.17	-	(0.17)	-	-	-	-	-
Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	(1.67)	-	-	-	(1.67)	(1.67)
Effective portion of gain and losses on designated portion of hedging instruments in a cash flow hedge (net of tax)	-	-	-	-	-	-	-	0.28	(0.97)	(0.69)	(0.69)
<b>As at March 31, 2016</b>	<b>32.64</b>	<b>32.67</b>	<b>9.11</b>	<b>1.33</b>	<b>830.30</b>	<b>1,239.92</b>	<b>(8.29)</b>	<b>0.28</b>	<b>(0.97)</b>	<b>2,104.35</b>	<b>2,136.99</b>
Profit for the year	-	-	-	-	-	522.07	-	-	-	522.07	522.07
Movements related to employees stock purchase scheme	-	-	-	-	0.47	-	-	-	-	0.47	0.47
Dividend on shares held by ESPS trust	-	-	-	-	-	1.11	-	-	-	1.11	1.11
Dividends on equity shares	-	-	-	-	-	(94.19)	-	-	-	(94.19)	(94.19)
Corporate dividend tax	-	-	-	-	-	(19.18)	-	-	-	(19.18)	(19.18)
Shares granted to employees under ESPS	-	-	-	-	-	-	0.33	-	-	0.33	0.33
Transfer to/(from) storage fund for molasses	-	-	-	(0.25)	-	0.25	-	-	-	-	-
Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	(8.39)	-	-	-	(8.39)	(8.39)
Effective portion of gain and losses on designated portion of hedging instruments in a cash flow hedge (net of tax)	-	-	-	-	-	-	-	0.28	0.64	0.92	0.92
<b>As at March 31, 2017</b>	<b>32.64</b>	<b>32.67</b>	<b>9.11</b>	<b>1.08</b>	<b>830.77</b>	<b>1,641.59</b>	<b>(7.96)</b>	<b>0.56</b>	<b>(0.33)</b>	<b>2,507.49</b>	<b>2,540.13</b>

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

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

For and on behalf of the Board of Directors

Vijay Agarwal  
Partner

Sameet Gambhir  
Company Secretary

J.K. Jain  
Chief Financial Officer

Pradeep Dinodia  
Director  
DIN: 00027995

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

New Delhi  
May 1, 2017

# Cash Flow Statement For The Year Ended March 31, 2017

	Year ended March 31, 2017 Rs. Crores	Year ended March 31, 2016 Rs. Crores
<b>A. Cash flow from operating activities</b>		
Net profit after tax :	522.07	352.99
Adjustments for :		
Income tax expense recognized in profit or loss	68.94	62.09
Exceptional item : Provision for impairment of investments in foreign subsidiaries (Bioseed bussiness)	85.12	-
Depreciation and amortization expense	111.07	94.90
Profit on sale of investments in mutual funds	(0.45)	-
(Profit) / Loss on sale of property, plant and equipment (including assets held for sale)	(3.38)	(1.01)
Provision for impairment in value of assets	8.30	14.96
Finance costs	72.89	84.87
Dividend and interest income	(35.95)	(46.29)
<b>Operating profit before working capital changes</b>	<b>828.61</b>	<b>562.51</b>
Changes in operating assets and liabilities:		
Trade receivables	278.05	(247.37)
Inventories	(304.56)	(197.75)
Trade payables	27.34	50.35
Other financial assets	37.36	(4.90)
Other current/non-current assets	(74.57)	3.89
Provisions	17.69	9.22
Other financial liabilities	(6.91)	11.57
Other current/non-current liabilities	134.91	20.45
<b>Cash generated from operations</b>	<b>937.92</b>	<b>207.97</b>
Income taxes paid	(147.42)	(79.71)
<b>Net cash from operating activities</b>	<b>790.50</b>	<b>128.26</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(456.44)	(348.37)
Purchase of intangible assets	(12.03)	(22.43)
Fixed deposits and current account balances with banks (Earmarked)	(5.48)	(0.41)
Purchase of investments	(4.00)	(35.84)
Sale of property, plant and equipment	3.44	1.75
Proceeds from asset held for sale	10.25	16.98
Liabilities associated with assets held for disposal	5.13	0.51
Loan to employees	0.71	(0.35)
Loans and advances to subsidiary companies	(28.47)	(11.37)
Interest received	32.05	33.89
Dividend and profit on sale of investments	3.06	4.76
<b>Net cash used in investing activities</b>	<b>(451.78)</b>	<b>(360.88)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds/(Repayment) from/of Long term borrowings	229.07	(83.67)
Proceeds/(Repayment) from/of Short term borrowings	(286.21)	401.67
Changes in loans repayable on demand from banks	70.85	(2.53)
Dividends paid	(94.19)	(45.48)
Corporate dividend tax paid	(19.18)	(9.26)
Finance costs paid	(68.92)	(86.31)
<b>Net cash from/(used) in financing activities</b>	<b>(168.58)</b>	<b>174.42</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>170.14</b>	<b>(58.20)</b>
Cash and cash equivalents at the beginning of the year	15.86	74.06
Cash and cash equivalents at end of the year	186.00	15.86
<b>Reconciliation of cash and cash equivalents as per the Cash flow statement</b>		
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents (refer note 7.2 and 7.3)	196.01	30.64
Earmarked balances (refer note 7.2 and 7.3)	(10.01)	(14.78)
Balances as per statement of cash flows	186.00	15.86

In terms of our report attached  
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Director  
DIN: 00027995

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

New Delhi  
May 1, 2017



# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## 1.1 Company Overview

DCM Shriram Limited ('the Company') is a public limited company incorporated in India. The Holding company, Sumant Investments Private Limited owns 60.51% of equity share capital of the Company. The registered office of the Company is at 1<sup>st</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi -110001, India.

The financial statements are approved by Board of Directors in their board meeting dated May 1, 2017.

The business portfolio of the Company comprises of :

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

Company has presence at various parts of India and its principal Places of Businesses together with major products are as under:

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

## 1.2 Basis of preparation of financial statements

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

The financial statements up to the year ended March 31, 2016 were prepared in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act ('Previous GAAP'). These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer note 49 for an explanation of the transition from previous GAAP to Ind AS and the effect on the Company's financial position, financial performance and cash flows.

## 1.3 Significant accounting policies

### a) Property, Plant and Equipment

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

The Company is following straight line method of depreciation in respect of buildings, plant and equipment and written down value method in respect of other assets. Depreciation on all tangible assets is provided on the basis of estimated useful life and residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc., as given below:

(i) Estimated useful lives:

Asset	Useful life
Buildings	29-58 years
Leasehold improvements	5-10 Years
Plant and equipment used in generation, transmission and distribution of power	25-40 years
Plant and equipment (other than used in generation, transmission and distribution of power)	3-40 years
Furniture and fixtures	8-10 Years
Office equipment	5 Years
Vehicles	8-10 Years

(ii) Estimated residual value:

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

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

### b) Intangible assets

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

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

Technical know-how and Brand	10 years
Softwares	5 years

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

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

## c) Investment property

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

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

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

## d) Non-current asset held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount (cost less accumulated depreciation, if any) and fair value less costs to sell.

## e) Inventories

Inventories are valued at lower of cost and 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.

By-products are valued at estimated net realisable value

## f) Revenue recognition

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

(ii) Under the retention pricing scheme, the Government of India

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

## g) Government grants

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

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

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

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

## h) Employee benefits

### (i) Defined contribution plans

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

### (ii) Defined benefit plans

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

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

(iii) Compensated absences

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

(iv) Share based payments

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

## i) Foreign currency transactions

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

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

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

## j) Financial instruments

### Initial Recognition:

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

### Subsequent measurement:

#### A. Non-derivative financial instruments

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

amount outstanding.

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

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

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

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

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

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

## B. Derivative financial instruments:

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

(i) **Cash flow hedge:** The effective portion of changes in the fair value of the hedging instruments is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Such amounts are reclassified in to the statement of profit or loss when the related hedge items affect profit or loss.

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

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

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

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

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## De-recognition of financial instruments

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

## k) Impairment

### (i) Financial assets :

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

### (ii) Non-financial assets:

#### Tangible and intangible assets

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

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

## l) Income taxes

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

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

## m) Use of estimates

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

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

The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

- (i) **Useful lives and residual value of property, plant and equipment, intangible assets and investment properties:** Useful life and residual value are determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc and same is reviewed at each financial year end.
- (ii) **Impairment of investments:** The Company has reviewed its carrying value of long term investments in equity/preference shares of subsidiaries and other companies carried at cost/amortized cost at the end of each reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- (iii) **Deferred tax assets:** The Company has reviewed the carrying amount of deferred tax assets including MAT credit at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
- (iv) **Revenue Recognition:**
  - (a) **Provision of Sales Returns and Discounts:** Provision for Sales Returns and Discounts are estimated based on past experience, market conditions and announced schemes.
  - (b) **Claims from 'Fertiliser Industry Coordination Committee' (FICC), Government of India:** The Company takes revenue credits for urea subsidy claims, which are pending notification/ final acceptance by 'Fertiliser Industry Coordination Committee' (FICC), Government of India, in pursuance of the Retention Price Scheme administered for nitrogenous fertilisers, when as per judgment of the Company, there is reasonable certainty based on policy and past experience that claims will be notified in due course (also refer note 29).

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## 2.1 Property, plant and equipment

	Rs. Crores							
	Freehold Land	Buildings	Leasehold Improvements	Plant and Equipments	Furniture and Fixtures	Office Equipments	Vehicles	Total
<b>Gross Carrying amount</b>								
Deemed cost as at April 1, 2015	66.09	170.95	7.82	1,038.67	5.47	5.49	23.47	1,317.96
Additions	0.50	12.98	0.14	58.06	1.04	2.90	10.96	86.58
Disposals	-	-	-	(1.80)	(0.02)	(0.10)	(1.77)	(3.69)
<b>Balance at March 31, 2016</b>	<b>66.59</b>	<b>183.93</b>	<b>7.96</b>	<b>1,094.93</b>	<b>6.49</b>	<b>8.29</b>	<b>32.66</b>	<b>1,400.85</b>
Additions	0.51	32.04	0.06	661.89	0.85	3.63	21.08	720.06
Disposals	(0.04)	-	-	(55.39)	(0.16)	(0.28)	(3.44)	(59.31)
Reclassified as asset held for sale	(23.69)	-	-	(1.83)	-	-	-	(25.52)
<b>Balance as at March 31, 2017</b>	<b>43.37</b>	<b>215.97</b>	<b>8.02</b>	<b>1,699.60</b>	<b>7.18</b>	<b>11.64</b>	<b>50.30</b>	<b>2,036.08</b>
<b>Accumulated Depreciation</b>								
As at April 1, 2015	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	7.99	1.24	69.99	1.64	2.98	8.69	92.53
Disposals	-	-	-	(0.05)	-	(0.05)	(0.54)	(0.64)
<b>Balance at March 31, 2016</b>	<b>-</b>	<b>7.99</b>	<b>1.24</b>	<b>69.94</b>	<b>1.64</b>	<b>2.93</b>	<b>8.15</b>	<b>91.89</b>
Depreciation charge for the year	-	9.48	0.16	79.05	1.45	3.08	10.71	103.93
Disposals	-	-	-	(53.54)	(0.10)	(0.24)	(1.66)	(55.54)
Reclassified as asset held for sale	-	-	-	(0.09)	-	-	-	(0.09)
<b>Balance at March 31, 2017</b>	<b>-</b>	<b>17.47</b>	<b>1.40</b>	<b>95.36</b>	<b>2.99</b>	<b>5.77</b>	<b>17.20</b>	<b>140.19</b>
<b>Net carrying amount</b>								
As at March 31, 2017	43.37	198.50	6.62	1,604.24	4.19	5.87	33.10	1,895.89
As at March 31, 2016	66.59	175.94	6.72	1,024.99	4.85	5.36	24.51	1,308.96
As at April 1, 2015	66.09	170.95	7.82	1,038.67	5.47	5.49	23.47	1,317.96
<b>Capital work in progress (refer note 52)</b>								
As at March 31, 2017								28.29
As at March 31, 2016								325.30
As at April 1, 2015								27.85

- Notes:**
1. Refer note 41 for information on property, plant and equipment pledged as security.
  2. Refer note 23 for information on borrowing costs capitalised during the year.
  3. Refer note 28 (ii) for information contractual commitments for acquisition of property, plant and equipment.
  4. Refer note 34(b)(i) for information on property, plant and equipment where the Company is a lessor under operating lease.
  5. Freehold land includes Rs. 2.26 crores (March 31, 2016 - Rs 15.31 crores; April 1, 2015 - Rs 16.79 crores) pending registration in favour of the Company.



# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## 2.2 Investment property

	Rs. Crores		
	Freehold Land	Buildings	Total
<b>Gross Carrying amount</b>			
Deemed cost as at April 1, 2015	1.41	5.57	6.98
Balance at March 31, 2016	1.41	5.57	6.98
<b>Balance as at March 31, 2017</b>	<b>1.41</b>	<b>5.57</b>	<b>6.98</b>
<b>Accumulated Depreciation</b>			
As at April 1, 2015	-	-	-
Depreciation charge for the year	-	0.10	0.10
Balance at March 31, 2016	-	0.10	0.10
Depreciation charge for the year	-	0.12	0.12
<b>Balance at March 31, 2017</b>	<b>-</b>	<b>0.22</b>	<b>0.22</b>
<b>Net carrying amount</b>			
As at March 31, 2017	<b>1.41</b>	<b>5.35</b>	<b>6.76</b>
As at March 31, 2016	1.41	5.47	6.88
As at April 1, 2015	1.41	5.57	6.98

Refer note 33 for other information relating to investment property

## 2.3 Intangible assets

	Rs. Crores		
	Technical Know how	Software	Total
<b>Gross carrying amount</b>			
Deemed cost as at April 1, 2015	0.52	3.35	3.87
Additions	-	25.10	25.10
Balance at March 31, 2016	0.52	28.45	28.97
Additions	-	7.81	7.81
<b>Balance as at March 31, 2017</b>	<b>0.52</b>	<b>36.26</b>	<b>36.78</b>
<b>Accumulated amortization</b>			
As at April 1, 2015	-	-	-
Amortization for the year	0.52	1.75	2.27
Balance at March 31, 2016	0.52	1.75	2.27
Amortization for the year	-	7.02	7.02
<b>Balance as at March 31, 2017</b>	<b>0.52</b>	<b>8.77</b>	<b>9.29</b>
<b>Net carrying amount</b>			
As at March 31, 2017	-	<b>27.49</b>	<b>27.49</b>
As at March 31, 2016	-	26.70	26.70
As at April 1, 2015	0.52	3.35	3.87
<b>Intangible assets under development</b>			
As at March 31, 2017			<b>4.25</b>
As at March 31, 2016			0.03
As at April 1, 2015			2.70

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

	As at March 31, 2017 Rs. Crores	As at March 31, 2016 Rs. Crores	As at April 1, 2015 Rs. Crores
<b>3. NON-CURRENT FINANCIAL ASSETS</b>			
<b>3.1 Non-current investments</b>			
<b>(i) Investment in Equity Instruments</b>			
<b>- Subsidiaries (at cost)</b>			
<b>Unquoted</b>			
11,74,551 (March 31, 2016 : 11,74,551; April 1, 2015: 11,74,551)			
Equity shares of US\$ 1 each fully paid-up of Bioseeds Limited.	14.41	14.41	14.41
Less: Provision for impairment in value of investment	(14.41)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
10,00,000 (March 31, 2016: 10,00,000 ; April 1, 2015: 10,00,000)			
Equity shares of Rs 10 each fully paid up of Hariyali Rural Ventures Limited	1.00	1.00	1.00
50,000 (March 31, 2016: 50,000 ; April 1, 2015: 50,000)			
Equity shares of Rs 10 each fully paid up of Fenesta India Limited	0.05	0.05	0.05
40,50,000 (March 31, 2016: 40,50,000 ; April 1, 2015: 40,50,000)			
Equity shares of Rs 10 each, fully paid up of Shriram Bioseed Ventures Limited	20.05	20.05	20.05
Less: Provision for impairment in value of investment	(20.05)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
94,475 (March 31, 2016: 94,475 ; April 1, 2015: Nil) Class A			
Equity shares of USD 1 each, fully paid up of Bioseed Holding PTE Limited	0.60	0.60	-
Less: Provision for impairment in value of investment	(0.60)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
52,50,000 (March 31, 2016: 52,50,000 ; April 1, 2015: Nil) Class B			
Equity shares of USD 1 each, fully paid up of Bioseed Holding PTE Limited	34.84	34.84	-
Less: Provision for impairment in value of investment	(34.84)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
60,01,208 (March 31, 2016: 60,01,208 ; April 1, 2015: 60,01,208)			
Equity shares of Rs 10 each, fully paid-up of DCM Shriram Credit and Investments Limited	0.22	0.22	0.22
83,51,207 (March 31, 2016: 83,51,207 ; April 1, 2015: 83,51,207)			
Equity shares of Rs 10 each, fully paid-up of DCM Shriram Aqua Foods Limited.	4.22	4.22	4.22
50,000 (March 31, 2016: 50,000 ; April 1, 2015: 50,000)			
Equity shares of Rs 10 each, fully paid up of Shridhar Shriram Foundation	0.05	0.05	0.05
50,007 (March 31, 2016 : 50,007 ; April 1, 2015: 50,007)			
Equity shares of Rs 10 each, fully paid up of Bioseed India Limited	0.05	0.05	0.05
Nil (March 31, 2016: Nil ; April 1, 2015: 5,00,000)			
Equity shares of Rs 10 each, fully paid up of Hariyali Services Limited	-	0.50	0.50
Less: Written off during the year	-	(0.50)	-
Less: Provision for impairment in value of investment	-	-	(0.50)
	<u>          </u>	<u>          </u>	<u>          </u>
17,50,280 (March 31, 2016: 17,50,280 ; April 1, 2015: 17,50,280)			
Equity shares of Rs 10 each, fully paid up of Shri Ganpati Fertilizer Limited # (Re. 1)	#	#	#
	<u>          </u>	<u>          </u>	<u>          </u>
	5.59	75.49	40.05
<b>- Joint Venture (at cost)</b>			
<b>Unquoted</b>			
17,32,500 (March 31, 2016 : 17,32,500; April 1, 2015: 17,32,500)			
Equity shares of Rs 10 each, fully paid up of Shriram Axiall Private Limited	3.42	3.42	3.42

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

	As at March 31, 2017 Rs. Crores	As at March 31, 2016 Rs. Crores	As at April 1, 2015 Rs. Crores
<b>- Others</b>			
<b>Unquoted (at fair value through other comprehensive income)</b>			
18,61,134 (March 31, 2016: 11,32,134 ; April 1, 2015: 11,32,134)			
Equity shares of Rs 10 each, fully paid up of Narmada Clean Tech	1.85	1.13	1.13
<b>(ii) Investment in Preference Shares - unquoted</b>			
<b>- Subsidiary (at amortized cost)</b>			
10,00,000 (March 31, 2016 : 10,00,000 ; April 1, 2015: Nil )	0.70	0.40	-
0.01% redeemable cumulative preference shares of Rs. 10 each, Rs. 7 paid up (March 31, 2016: Rs. 4 paid up) of DCM Shriram Infrastructure Limited			
<b>- Subsidiary (at cost)</b>			
30,00,000 (March 31, 2016 : Nil ; April 1, 2015: Nil )	3.00	-	-
0.01% compulsorily convertible preference shares of Rs. 10 each of DCM Shriram Credit and Investments Limited			
<b>(iii) Investment in Government securities</b>			
<b>Unquoted (at amortized cost)</b>			
National savings certificates	0.06	0.08	0.08
<b>(iv) Equity component of loan to subsidiary at concessional rate (at cost)</b>	11.45	11.45	11.45
- DCM Shriram Infrastructure Limited			
<b>Total</b>	<u>26.07</u>	<u>91.97</u>	<u>56.13</u>
Aggregate book value:			
- Unquoted	26.07	91.97	56.13
Aggregate provision for impairment of investments	69.90	0.50	0.50
Summary:			
- Investments carried at cost	23.46	90.36	54.92
- Investments carried at amortized cost	0.76	0.48	0.08
- Investments at fair value through other comprehensive income	1.85	1.13	1.13
<b>3.2 Trade receivables</b>			
Unsecured considered good	1.89	2.41	2.73
	<u>1.89</u>	<u>2.41</u>	<u>2.73</u>
<b>3.3 Loans</b>			
(unsecured considered good, unless otherwise stated)			
Loans to subsidiaries [refer note 31(b)(i)]	119.46	117.40	115.41
Loans to employees	8.51	7.50	7.65
	<u>127.97</u>	<u>124.90</u>	<u>123.06</u>
<b>3.4 Other financial assets</b>			
Interest accrued on loans, investments, deposits etc.	0.67	0.63	0.76
Fixed deposits with banks (earmarked)	13.08	2.83	7.82
Security deposits <sup>(i)</sup>	25.60	36.41	32.69
	<u>39.35</u>	<u>39.87</u>	<u>41.27</u>
(i) includes given to related parties [refer note 31(b)(i)]			

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

	As at March 31, 2017 Rs. Crores	As at March 31, 2016 Rs. Crores	As at April 1, 2015 Rs. Crores
<b>4. Deferred tax assets / (liabilities) (Net)</b>			
[refer note 42(d)]			
<b>Deferred tax assets:</b>			
Provision for gratuity and compensated absences	68.08	57.82	53.38
Provision for doubtful debts and advances	11.97	4.72	5.50
Others	46.27	41.03	31.16
MAT credit entitlement	240.26	126.58	101.15
	<b>366.58</b>	<b>230.15</b>	<b>191.19</b>
<b>Deferred tax liabilities:</b>			
Depreciation	281.05	221.86	211.94
	<b>281.05</b>	<b>221.86</b>	<b>211.94</b>
<b>Deferred tax assets (Net)</b>	<b>85.53</b>	<b>8.29</b>	<b>-</b>
<b>Deferred tax (liabilities) (Net)</b>	<b>-</b>	<b>-</b>	<b>(20.75)</b>
<b>5. Other non-current assets</b>			
Capital advances	19.76	55.96	5.80
Prepaid expenses	14.26	15.91	16.28
Others (including amount deposited with Government authorities)	31.66	33.49	33.44
	<b>65.68</b>	<b>105.36</b>	<b>55.52</b>
<b>CURRENT ASSETS</b>			
<b>6. Inventories <sup>(i)</sup> (at lower of cost and net realisable value)</b>			
Raw materials	202.97	140.28	135.72
Work-in-progress	49.27	17.19	21.61
Finished goods	1,103.81	886.23	691.91
Stock-in-trade	98.42	101.04	80.54
Stores and spares (includes goods in transit Rs. Nil; March 31, 2016 - Rs. 22.91 crores; April 1, 2015 - Rs. Nil)	127.64	132.81	150.02
	<b>1,582.11</b>	<b>1,277.55</b>	<b>1,079.80</b>
(i) refer note 41			
<b>7. FINANCIAL ASSETS</b>			
<b>7.1 Trade receivables <sup>(i)</sup></b>			
Outstanding for a period exceeding six months from due date for payment			
Secured - considered good	0.10	0.03	0.01
Unsecured - considered good	272.95	244.50	203.34
- considered doubtful	18.55	12.79	14.70
	<b>291.60</b>	<b>257.32</b>	<b>218.05</b>
Less: Provision for doubtful receivables	18.55	12.79	14.70
	<b>273.05</b>	<b>244.53</b>	<b>203.35</b>
Others			
Secured - considered good	1.51	1.19	0.68
Unsecured - considered good	702.85	1,009.22	803.22
	<b>977.41</b>	<b>1,254.94</b>	<b>1,007.25</b>
(i) includes dues from related parties [refer note 31(b)(i)]			

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

	As at March 31, 2017 Rs. Crores	As at March 31, 2016 Rs. Crores	As at April 1, 2015 Rs. Crores
<b>7.2 Cash and cash equivalents</b>			
Balances with banks on			
- current accounts	80.70	15.53	73.45
- deposit accounts (earmarked)	2.33	8.77	-
Cheques on hand	0.08	0.11	0.18
Cash on hand	0.22	0.22	0.43
Liquid investments - mutual funds	105.00	-	-
	<u>188.33</u>	<u>24.63</u>	<u>74.06</u>
<b>7.3 Bank balances other than cash and cash equivalents</b>			
Balances with banks on			
- current accounts (earmarked)	4.26	3.17	2.42
- deposit accounts (earmarked)	3.42	2.84	6.96
	<u>7.68</u>	<u>6.01</u>	<u>9.38</u>
<b>7.4 Loans</b>			
(Unsecured Considered good unless otherwise stated)			
Loan to employees	4.00	5.72	5.22
Loan to subsidiaries [refer note 31 (b)(i)]			
Considered good	57.02	30.61	21.23
Considered doubtful	7.01	7.01	7.01
	<u>64.03</u>	<u>37.62</u>	<u>28.24</u>
Less: Provision for doubtful advances	7.01	7.01	7.01
	<u>57.02</u>	<u>30.61</u>	<u>21.23</u>
	<u>61.02</u>	<u>36.33</u>	<u>26.45</u>
<b>7.5 Other financial assets</b>			
Interest accrued on loans, investment, deposits etc <sup>(ii)</sup>			
Considered good	1.92	15.89	8.12
Considered doubtful	15.22	-	-
	<u>17.14</u>	<u>15.89</u>	<u>8.12</u>
Less: Provision for doubtful receivables	15.22	-	-
	<u>1.92</u>	<u>15.89</u>	<u>8.12</u>
Other debts considered good	6.31	11.70	15.14
Security deposits <sup>(ii)</sup>	16.35	16.70	18.69
Derivatives designated as hedges:			
- Interest rate swaps	2.03	0.07	-
- Others (Foreign currency options)	3.68	25.04	19.55
	<u>30.29</u>	<u>69.40</u>	<u>61.50</u>
(ii) includes from related parties [refer note 31 (b)(i)]			
<b>8. Current tax assets</b>			
Advance tax	357.74	319.00	276.92
Less: Provision for current tax	<u>(346.11)</u>	<u>(312.57)</u>	<u>(260.31)</u>
	<u>11.63</u>	<u>6.43</u>	<u>16.61</u>

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

	As at March 31, 2017 Rs. Crores	As at March 31, 2016 Rs. Crores	As at April 1, 2015 Rs. Crores
<b>9. Other current assets</b>			
(Unsecured Considered good unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received			
Considered good	192.54	120.56	142.13
Considered doubtful	0.82	0.85	1.20
	<u>193.36</u>	<u>121.41</u>	<u>143.33</u>
Less: Provision for doubtful advances	0.82	0.85	1.20
	<u>192.54</u>	<u>120.56</u>	<u>142.13</u>
Advance to subsidiaries [refer note 31(b)(i)]			
Considered good	6.72	9.25	12.72
Considered doubtful	10.42	17.13	14.87
	<u>17.14</u>	<u>26.38</u>	<u>27.59</u>
Less: Provision for doubtful advances	10.42	17.13	14.87
	<u>6.72</u>	<u>9.25</u>	<u>12.72</u>
Prepaid expenses	8.27	9.13	7.02
Balances with customs, excise etc.	28.03	35.09	11.68
Unbilled revenue	21.23	4.71	8.76
	<u>256.79</u>	<u>178.74</u>	<u>182.31</u>
<b>10. Assets classified as held for sale</b>			
Land and buildings	114.69	104.39	126.52
Plant and machinery	0.44	0.06	0.06
	<u>115.13</u>	<u>104.45</u>	<u>126.58</u>
Refer note 47 for other information relating to assets classified as held for sale.			
<b>11. Equity share capital</b>			
<b>Authorised</b>			
29,49,50,000 (March 31, 2016 - 29,49,50,000 ; April 1, 2015 - 29,49,50,000) equity shares of Rs. 2 each with voting rights	58.99	58.99	58.99
65,01,000 (March 31, 2016 - 65,01,000; April 1, 2015 - 65,01,000) Cumulative redeemable preference shares of Rs. 100 each	65.01	65.01	65.01
	<u>124.00</u>	<u>124.00</u>	<u>124.00</u>
<b>Issued</b>			
16,63,16,137 (March 31, 2016 - 16,63,16,137; April 1, 2015 - 16,63,16,137) Equity shares of Rs. 2 each with voting rights	33.26	33.26	33.26
<b>Subscribed and fully paid up</b>			
16,24,16,137 (March 31, 2016 - 16,24,16,137; April 1, 2015 - 16,24,16,137) Equity shares of Rs. 2 each with voting rights, fully paid - up	32.48	32.48	32.48
Forfeited shares - Amount originally paid up	0.16	0.16	0.16
	<u>32.64</u>	<u>32.64</u>	<u>32.64</u>



# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

	As at March 31, 2017 Rs. Crores	As at March 31, 2016 Rs. Crores	As at April 1, 2015 Rs. Crores
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Notes:

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

Subscribed and fully paid up Equity Shares:	No. of shares	Value (Rs. Crores)
As at April 1, 2015	162,416,137	32.48
As at March 31, 2016	162,416,137	32.48
<b>As at March 31, 2017</b>	<b>162,416,137</b>	<b>32.48</b>

The Company had bought back/extinguished 34,87,183 equity shares of Rs. 2 each during financial years 2013-14 and 2014-15

**(ii) Rights, preferences and restrictions on equity shares:**

Voting rights and dividend shall be in the proportion to the capital paid upon equity shares. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to the capital paid upon equity share after distribution of all preferential amount.

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	%	No. of shares	%	No. of shares	%
<b>(iii) Shares held by the holding company:</b>						
Sumant Investments Private Limited	98,282,284	60.51%	98,282,284	60.51%	98,282,284	60.51%
<b>(iv) The shareholders holding more than 5% equity shares are as under:</b>						
Sumant Investments Private Limited	98,282,284	60.51%	98,282,284	60.51%	98,282,284	60.51%
Life Insurance Corporation of India	12,863,749	7.92%	12,863,749	7.92%	12,863,749	7.92%

**12. Other equity<sup>1</sup>**

12.1 General reserve	830.77	830.30	830.14
12.2 Surplus in statement of profit and loss	1,641.59	1,239.92	942.94
12.3 Securities premium reserve	32.67	32.67	32.67
12.4 Capital redemption reserve	9.11	9.11	9.11
12.5 Storage fund for molasses account	1.08	1.33	1.16
12.6 Share held by trust under Employees Stock Purchase Scheme (ESPS) <sup>2</sup>	(7.96)	(8.29)	(10.43)
12.7 Other comprehensive income			
- Cash flow hedging reserve (refer note 45.3)	0.56	0.28	-
- Cost of hedging reserve (refer note 45.3)	(0.33)	(0.97)	-
	<u>2,507.49</u>	<u>2,104.35</u>	<u>1,805.59</u>

1. For movement during the year in Other equity, refer 'Statement of changes in equity'

2. Share held by trust under ESPS represents cost of 17,23,174 (March 31, 2016 - 17,95,674; April 1, 2015 - 22,60,174) equity shares purchased and held by the Employee Benefit trust under ESPS scheme.

**NON-CURRENT LIABILITIES**

**13. Financial Liabilities**

**13.1 Long term borrowings (at amortized cost)**

**Secured** (refer note 41B)

Term loans

From banks	316.22	197.04	96.59
From others	145.50	29.71	190.25
	<u>461.72</u>	<u>226.75</u>	<u>286.84</u>

**Unsecured**

Deposits

Fixed	10.22	30.40	13.58
	<u>10.22</u>	<u>30.40</u>	<u>13.58</u>
	<u>471.94</u>	<u>257.15</u>	<u>300.42</u>

**13.2 Other financial liabilities**

Interest accrued but not due on loans and deposits	4.02	6.27	7.47
	<u>4.02</u>	<u>6.27</u>	<u>7.47</u>

**14. Long term provisions**

Provision for employee benefits

Gratuity (refer note 32)	95.43	83.01	76.61
Compensated absences	61.81	56.13	52.03
Other benefits	5.57	4.80	5.87
Provision for contingencies (refer note 37)	20.74	20.74	12.09
	<u>183.55</u>	<u>164.68</u>	<u>146.60</u>

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

	As at March 31, 2017 Rs. Crores	As at March 31, 2016 Rs. Crores	As at April 1, 2015 Rs. Crores
<b>15. Other Non-current Liabilities</b>			
Security deposits	0.92	1.00	0.02
	<u>0.92</u>	<u>1.00</u>	<u>0.02</u>
<b>CURRENT LIABILITIES</b>			
<b>16. Financial liabilities</b>			
<b>16.1 Short-term borrowings - at amortized cost</b>			
<b>Secured</b> (refer note 41B)			
Loans repayable on demand from banks	169.59	98.74	101.27
Other loans from banks	235.44	321.69	196.53
	<u>405.03</u>	<u>420.43</u>	<u>297.80</u>
<b>Unsecured</b>			
Loans repayable on demand - other than banks	2.00	2.00	2.00
Other loans from banks	99.50	299.46	22.95
Loan from subsidiary company	1.45	1.45	1.45
	<u>102.95</u>	<u>302.91</u>	<u>26.40</u>
	<u>507.98</u>	<u>723.34</u>	<u>324.20</u>
<b>16.2 Trade payables</b>			
Total outstanding dues to micro and small enterprises (refer note 48)	0.82	1.14	3.26
Total outstanding dues of other than micro and small enterprises <sup>(i)</sup>	1,153.39	1,125.73	1,073.26
	<u>1,154.21</u>	<u>1,126.87</u>	<u>1,076.52</u>
(i) includes due to related parties [Refer note 31(b)(i)]			
<b>16.3 Other financial liabilities</b>			
Current maturities of long-term debt (Secured) [refer note 41B]			
From banks	61.38	62.01	41.67
From others	10.77	16.88	77.12
Current maturities of long-term debt (Unsecured)			
From others	21.09	0.07	0.57
Interest accrued but not due on borrowings	11.31	5.09	5.33
Unpaid dividends	4.12	2.82	2.13
Unpaid matured deposits and interest accrued thereon	0.04	0.13	0.06
Unpaid matured debentures and interest accrued thereon	-	0.21	0.21
Security deposits	34.44	32.19	28.98
Others liabilities (including capital creditors)	28.74	114.83	33.25
Derivatives designated as hedge			
- Foreign exchange forward contracts	22.98	18.46	10.24
- Interest rate swaps	-	-	0.40
	<u>194.87</u>	<u>252.69</u>	<u>199.96</u>
<b>17. Short term provisions</b>			
Provision for employee benefits			
Gratuity	20.20	14.33	14.43
Compensated absences	19.26	13.59	11.17
Other benefits	0.83	0.71	0.69
	<u>40.29</u>	<u>28.63</u>	<u>26.29</u>
<b>18. Other current liabilities</b>			
Statutory levies	183.14	122.28	94.39
Advance received from customers <sup>(i)</sup>	250.15	176.00	184.55
Other current liabilities	0.11	0.13	-
	<u>433.40</u>	<u>298.41</u>	<u>278.94</u>
(i) includes from related party [refer note 31(b)(i)]			

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

	Year ended March 31, 2017 Rs. Crores	Year ended March 31, 2016 Rs. Crores
<b>19. Revenue from operations</b>		
<b>Revenue from sale of products</b>		
Sale of Products	6,031.26	5,941.11
	<u>6,031.26</u>	<u>5,941.11</u>
<b>Other operating revenue</b>		
Rent	0.46	0.47
Liabilities/provisions no longer required written back	0.96	24.59
Scrap sale and other miscellaneous income	28.26	18.74
	<u>29.68</u>	<u>43.80</u>
<b>Revenue from Operations</b>	<u>6,060.94</u>	<u>5,984.91</u>
<b>20. Other income</b>		
Interest income from financial assets carried at amortized cost	33.34	41.53
Dividend income on short term investments mandatorily measured at fair value through profit or loss	2.61	4.76
Rent [refer note 34 (b)(ii)]	4.83	4.78
Miscellaneous income	9.59	3.86
Other gains/(losses):		
- net gain on sale of short term investments carried at fair value through profit or loss	0.45	-
- net gain on sale of property, plant and equipment (including assets held for sale)	3.38	1.01
	<u>54.20</u>	<u>55.94</u>
<b>21. Change in inventories of finished goods, stock-in-trade and work-in-progress</b>		
Closing stock	1,251.50	1,004.46
Add: - Inventory used during trial run production	2.24	-
Adjusted Closing stock	<u>1,253.74</u>	<u>1,004.46</u>
Opening stock	1,004.46	794.06
	<u>(249.28)</u>	<u>(210.40)</u>
<b>22. Employee benefits expense</b>		
Salaries, wages, bonus, gratuity, commission, etc. <sup>(i)</sup>	446.43	410.88
Expense on Employee stock purchase scheme <sup>(ii)</sup>	2.46	2.43
Contribution to provident and other funds <sup>(i)</sup>	29.65	26.92
Staff welfare expenses	24.86	20.49
	<u>503.40</u>	<u>460.72</u>
(i) refer note 32		
(ii) refer note 40		

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

	Note	Year ended March 31, 2017 Rs. Crores	Year ended March 31, 2016 Rs. Crores
<b>23. Finance costs</b>			
Interest expense on financial liabilities measured at amortized cost <sup>1</sup>		65.37	47.17
Other borrowing costs		2.60	2.56
Net loss on foreign currency transactions and translation		19.01	41.28
		<u>86.98</u>	<u>91.01</u>
Less: Amount included in the cost of qualifying assets <sup>2</sup>		14.09	6.14
		<u>72.89</u>	<u>84.87</u>
1. includes interest expense on loan from wholly owned subsidiary Rs. 0.14 crores (previous year: Rs. 0.14 crores)			
2. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization is 7.59% p.a. (2015-16: 7.94% p.a.)			
<b>24. Depreciation and amortization expense</b>			
Depreciation of property, plant and equipment	2.1	103.93	92.53
Depreciation of investment property	2.2	0.12	0.10
Amortization of intangible assets	2.3	7.02	2.27
		<u>111.07</u>	<u>94.90</u>
<b>25. Other expenses</b>			
Consumption of stores and spare parts		188.64	190.43
Power, fuel etc.		776.37	675.13
Rent [refer note 34(a)(iii)]		24.37	23.01
Repairs			
Buildings		11.17	11.70
Plant and machinery		39.32	30.01
Donation <sup>1</sup>		3.44	0.10
Insurance		8.55	7.88
Rates and taxes		2.40	2.00
Auditors' remuneration			
Audit fee		1.00	1.00
Tax audit		0.15	0.14
Limited reviews		0.48	0.48
Other certification services <sup>2</sup>		0.75	1.08
Out-of-pocket expenses		0.04	0.05
Directors' fees		0.39	0.33
Bad debts and advances written off <sup>3</sup>		13.04	4.18
Less: adjusted against provision for doubtful debts and advances <sup>4</sup>		<u>(8.98)</u>	<u>(2.95)</u>
Provision for doubtful debts and advances <sup>5</sup>		7.89	3.24
Freight and transport (net)		58.99	57.15
Commission to selling agents		7.20	5.03
Brokerage, discounts (other than trade discounts), etc.		9.05	12.07
Selling expenses		83.90	89.10
Exchange fluctuation costs		0.52	(0.17)
Royalty		16.20	67.10
Provision for impairment in value of assets		8.30	14.96
Increase/(decrease) in excise duty on finished goods		10.19	27.42
Corporate Social Responsibility <sup>6</sup>		6.60	5.03
Miscellaneous expenses		131.31	115.75
		<u>1,401.28</u>	<u>1,341.25</u>
Less:- Cost of own manufactured goods capitalised		<u>(0.58)</u>	<u>(1.95)</u>
		<u>1,400.70</u>	<u>1,339.30</u>

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

	Year ended March 31, 2017 Rs. Crores	Year ended March 31, 2016 Rs. Crores
1 refer note 38.1		
2 includes service tax		
3 includes Rs. 2.73 crores (2015-16: Rs. Nil) in respect of a subsidiary company		
4 includes Rs. 6.71 crores (2015-16: Rs. Nil) in respect of a subsidiary company		
5 includes Rs. Nil (2015-16: Rs. 2.27 crores) in respect of advance given to a subsidiary company		
6 refer note 38.2		
<b>26. Tax expense (refer note 42)</b>		
Current tax	<b>142.22</b>	89.89
Less:- MAT credit entitlement	<b>(102.63)</b>	<u>(25.43)</u>
Deferred Tax	<b>40.40</b>	(2.37)
Tax adjustments related to earlier years:		
- Current tax	<b>(11.05)</b>	-
	<b>68.94</b>	<u>62.09</u>
<b>27. Earnings per share</b>		
Profits after tax and exceptional item (Rs. Crores)	<b>522.07</b>	352.99
Exceptional item net of tax amounting Rs. 5.27 crores (Rs. Crores)	<b>79.85</b>	-
Weighted average number of equity shares (Nos.)	<b>162,416,137</b>	162,416,137
Basic and Diluted earnings per share (face value Rs. 2 per share)		
- Before exceptional item	<b>37.06</b>	21.73
- After exceptional item	<b>32.14</b>	21.73



# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

	As at March 31, 2017 Rs. Crores	As at March 31, 2016 Rs. Crores	As at April 1, 2015 Rs. Crores
<b>28. (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	1.33
- Service tax/excise matters	32.54	31.66	31.66
- Additional premium on land	8.11	8.11	8.11
- Interest/other charges on cane purchases for earlier years	71.66	-	-
- Others	5.63	5.80	5.93
<b>Total</b>	<b>119.27</b>	<b>46.90</b>	<b>47.03</b>
(ii) Capital commitments (net of advances)	86.67	314.54	60.34
(iii) Uncalled liability on partly paid shares	0.30	0.60	-

**29.** In accordance with past practice, the Company has taken revenue credits aggregating Rs. 66.88 crores (2015-16 - Rs. 55.85 crores) receivable 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.

## 30. Segment reporting

### A. Operating segments and principal activities:

Based on the guiding principles given in Ind AS - 108 'Operating segments', the Company's operating segments, based on products include: Fertilisers (manufacturing of urea), Chloro-Vinyl (manufacturing of poly-vinyl chloride, carbide and chlor alkali products), Shriram Farm solutions (trading of di-ammonium phosphate, muriate of potash, super phosphate, other fertilisers, seeds and pesticides), Sugar (manufacturing of sugar products and co-generation of Power), Bioseed (production of hybrid seeds), Others (UPVC window systems, Cement, Rural retail and plaster of paris). Sale of power from the power generation facilities set up for the operating segments is included in their respective results.

### B. Geographical segments:

Since the Company's activities/ operations are primarily within the country and considering the nature of products/ services it deals in, the risks and returns are same and as such there is only one geographical segment.

### C. Segment accounting policies:

In addition to the significant accounting policies applicable to the operating segments as set out in note 1.3, the accounting policies in relation to segment accounting are as under:

(i) Segment revenue and expenses:

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

(ii) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property, plant and equipments, 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 trade payables. Segment assets and liabilities do not include deferred income taxes. While most of the assets/ liabilities can be directly attributed to individual segment, the carrying amount of certain assets/ liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

(iii) Inter segment sales:

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

### D. Revenue from major products:

Revenue from major products is given in note 54

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## E. Geographical information:

(i) Revenue from external customers: The Company's revenue from external customers by location of operation are as under:

Particulars	Rs. Crores	
	This year	Previous year
- Within India	6,005.72	5,932.59
- Outside India	25.54	8.52
<b>Total</b>	<b>6,031.26</b>	<b>5,941.11</b>

(ii) Non-current assets other than financial instruments : There are no such assets which are located outside India.

## F. Information about major customer

There is no single customer who contributed 10% or more of the Company's revenue during the year ended March 31, 2017 and March 31, 2016

## G. Information about business segments

Rs. Crores

PARTICULARS	Chloro-Vinyl		Sugar		Shriram Farm Solutions		Bioseed		Fertiliser		Others		Elimination		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
<b>1. REVENUE</b>																
External sales (Gross)	1,557.77	1,354.44	1,582.99	942.78	1,014.47	1,797.80	286.09	277.43	745.74	793.98	844.20	774.68			6,031.26	5,941.11
Other Operating Income	4.36	5.92	18.03	25.37		0.26	2.18	1.52	1.02	6.39	4.09	4.34			29.68	43.80
Inter segment sales	22.08	18.59			0.93	0.23	125.12	163.63			1.69	1.86	149.82	184.31		
<b>Total revenue</b>	<b>1,584.21</b>	<b>1,378.95</b>	<b>1,601.02</b>	<b>968.15</b>	<b>1,015.40</b>	<b>1,798.29</b>	<b>413.39</b>	<b>442.58</b>	<b>746.76</b>	<b>800.37</b>	<b>849.98</b>	<b>780.88</b>	<b>149.82</b>	<b>184.31</b>	<b>6,060.94</b>	<b>5,984.91</b>
<b>2. RESULTS</b>																
Segment results	398.70	349.04	315.40	87.82	28.65	71.38	52.09	46.55	54.99	31.03	13.05	0.59			862.88	586.41
Unallocated expenses (net of income)															113.86	86.46
Exceptional item: Provision for impairment of investments in foreign subsidiaries (Bioseed business)															85.12	-
<b>Operating profit</b>	<b>398.70</b>	<b>349.04</b>	<b>315.40</b>	<b>87.82</b>	<b>28.65</b>	<b>71.38</b>	<b>52.09</b>	<b>46.55</b>	<b>54.99</b>	<b>31.03</b>	<b>13.05</b>	<b>0.59</b>			<b>663.90</b>	<b>499.95</b>
Finance costs															72.89	84.87
<b>Profit before tax</b>															<b>591.01</b>	<b>415.08</b>
Provision for taxation															79.99	62.09
- Current and deferred tax															(11.05)	-
- Tax adjustments related to earlier years																
<b>Net profit</b>															<b>522.07</b>	<b>352.99</b>
<b>3. OTHER INFORMATION</b>																
<b>A. ASSETS</b>																
Segment assets	1,303.33	1,050.14	1,743.61	1,398.35	540.35	708.81	611.34	524.44	505.21	611.07	286.37	291.13			4,990.21	4,583.94
Unallocated assets															549.35	415.21
<b>Total assets</b>	<b>1,303.33</b>	<b>1,050.14</b>	<b>1,743.61</b>	<b>1,398.35</b>	<b>540.35</b>	<b>708.81</b>	<b>611.34</b>	<b>524.44</b>	<b>505.21</b>	<b>611.07</b>	<b>286.37</b>	<b>291.13</b>			<b>5,539.56</b>	<b>4,999.15</b>
<b>B. EQUITY AND LIABILITIES</b>																
Equity (Share Capital & Other Equity)															2,540.13	2,136.99
Segment liabilities	255.62	290.41	725.17	361.71	159.86	498.46	378.01	320.80	110.82	91.80	180.12	138.96			1,809.60	1,702.14
Secured and unsecured loans															1,073.20	744.52
Unallocated liabilities															116.63	415.50
<b>Total liabilities</b>	<b>255.62</b>	<b>290.41</b>	<b>725.17</b>	<b>361.71</b>	<b>159.86</b>	<b>498.46</b>	<b>378.01</b>	<b>320.80</b>	<b>110.82</b>	<b>91.80</b>	<b>180.12</b>	<b>138.96</b>			<b>5,539.56</b>	<b>4,999.15</b>
<b>C. OTHERS</b>																
Capital expenditure	282.72	327.03	109.96	21.85	0.22	1.29	1.97	2.90	14.29	18.13	6.72	14.62			415.87	385.82
Unallocated capital expenditure															14.99	23.31
Depreciation and amortisation expense	49.43	41.78	26.81	25.14	0.03	0.01	2.94	2.75	9.49	9.20	11.77	11.72			100.46	90.60
Unallocated depreciation and amortisation expense															10.61	4.30
Non cash expenses other than depreciation	-	0.02	-	-	5.82	3.39	0.43	0.54	-	-	0.50	0.19			6.74	4.14
Unallocated non cash expenses other than depreciation															5.21	0.33

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## 31. Related party disclosures

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

1. Holding company: Sumant Investments Private Limited
2. Subsidiaries:  
DCM Shriram Credit and Investments Limited, Bioseed India Limited, DCM Shriram Infrastructure Limited, DCM Shriram Aqua Foods Limited, Hariyali Rural Ventures Limited, Fenesta India Limited, Shri Ganpati Fertilizers Limited, Shriram Bioseed Ventures Limited, Bioseeds Limited, Shriram Bioseed (Thailand) Ltd., Bioseed Research Philippines Inc., Bioseeds Holdings PTE. Ltd., Bioseed Vietnam Limited, PT Shriram Seed Indonesia, Bioseed Research USA Inc., PT Shriram Genetics Indonesia, DCM Shriram Foundation, Shridhar Shriram Foundation, Hariyali Services Limited<sup>#</sup>  
<sup>#</sup>dissolved during financial year 2016-17
3. Joint venture: Shriram Axiall Private Limited
4. Key Managerial Persons, their relatives and HUFs:  
Executive Directors, their relatives and HUFs (with whom transactions are there):  
Mr. Ajay S. Shriram, Mr. Vikram S. Shriram, Mr. Ajit S. Shriram, Mr. N.J. Singh, Mr. K.K. Kaul, Mr. Aditya A. Shriram (relative of Mr. Ajay S. Shriram), Mr. Anand A. Shriram (relative of Mr. Ajay S. Shriram), Mr. Pranav V. Shriram (relative of Mr. Vikram S. Shriram)<sup>1</sup>, 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).  
Independent Directors and their relatives (with whom transactions are there):  
Mr. Pradeep Dinodia, Mr. Vimal Bhandari, Mr. Sunil Kant Munjal, Mrs. Ramni Nirula, Mr. Vikramjit Sen<sup>2</sup>, Mr. Pravesh Sharma<sup>2</sup>, Mr. Sharad Shrivastva, Mrs. Pallavi Dinodia (relative of Mr. Pradeep Dinodia), Mr. S.S. Bajjal<sup>3</sup>, Mr. Arun Bharat Ram<sup>3</sup>, Mr. D Sengupta<sup>3</sup>  
1 w.e.f. December 01, 2016  
2 w.e.f. August 09, 2016  
3 upto August 09, 2016
5. Trust : Sir Shriram Foundation, DCM Shriram Employees' Provident Fund Trust, DCM Shriram Officers' Superannuation Fund Trust

### B Details of transactions and balance outstanding with related parties

#### (i) Transactions with related parties:

				Rs. Crores	
S. No.	Nature of transaction	Particulars	This year	Previous year	
1.	Sale of products	Bioseed Vietnam Ltd.	0.72	6.25	
		Bioseed Research Philippines Ltd.	0.56	0.52	
		PT Shriram Seed Indonesia	4.14	-	
		Shri Ganpati Fertilizers Ltd.	-	0.03	
		Fenesta India Ltd.	73.16	50.75	
		Shriram Axiall Pvt. Limited	20.50	18.94	
		Mr. Ajay S. Shriram	-	0.03	
		Mr. Vikramjit Sen	0.03	-	
		Mrs. Pallavi Dinodia	0.05	-	
		<b>Total</b>	<b>99.16</b>	<b>76.52</b>	
2.	Common services expenses recovered	Shriram Axiall Pvt. Limited	0.96	0.96	
3.	Supply of water, power and steam	Shriram Axiall Pvt. Limited	1.47	2.11	
4.	Purchases of finished goods	Shri Ganpati Fertilizers Ltd.	26.47	26.12	
		Shriram Axiall Pvt. Limited	0.09	0.07	
		<b>Total</b>	<b>26.56</b>	<b>26.19</b>	

## Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

S. No.	Nature of transaction	Particulars	Rs. Crores	
			This year	Previous year
5.	Rent paid	M/s Ajay S. Shriram (HUF)	1.47	1.47
		M/s Vikram S. Shriram (HUF)	1.31	1.31
		M/s Ajit S. Shriram (HUF)	1.31	1.31
		Relatives of Key management personnel	0.20	0.20
		<b>Total</b>	<b>4.29</b>	<b>4.29</b>
6.	Remuneration (including commission) <sup>3</sup>	Mr. Ajay S. Shriram	6.64	5.35
		Mr. Vikram S. Shriram	6.45	5.17
		Mr. Ajit S. Shriram	5.73	4.48
		Mr. K.K. Kaul	1.97	1.79
		Mr. N.J. Singh	0.84	0.74
		Relatives of Key management personnel	1.36	0.88
		<b>Total</b> <sup>1</sup>	<b>22.99</b>	<b>18.41</b>
7.	Sitting fees and commission	Independent Directors	2.12	1.79
8.	Security deposits received back	Hariyali Rural Ventures Ltd.	2.45	4.55
9.	Loans and advances given (net)	DCM Shriram Infrastructure Ltd.	-	0.10
		Shriram Bioseed Ventures Ltd.	0.96	2.42
		Hariyali Rural Ventures Ltd.	-	0.10
		Bioseeds Limited	-	6.80
		Bioseed Holding PTE Limited	38.76	-
		Shri Ganpati Fertilizers Ltd.	-	1.23
		<b>Total</b>	<b>39.72</b>	<b>10.65</b>
10.	Loans and advances received back (net)	DCM Shriram Credit and Investments Ltd.	-	0.40
		Hariyali Rural Ventures Ltd.	0.10	-
		Bioseeds Limited	10.24	-
		<b>Total</b>	<b>10.34</b>	<b>0.40</b>
11.	Interest income	DCM Shriram Credit and Investments Ltd.	0.86	0.54
		DCM Shriram Infrastructure Ltd.	2.13	1.95
		Shriram Bioseed Ventures Ltd.	-	9.56
		Shri Ganpati Fertilizers Ltd.	-	2.51
		Bioseeds Limited	1.89	1.15
		<b>Total</b>	<b>4.88</b>	<b>15.71</b>
12.	Investment in equity and preference shares	DCM Shriram Credit and Investments Ltd. <sup>2</sup>	3.00	-
		Bioseed Holding PTE Limited	-	35.44
		DCM Shriram Infrastructure Ltd.	0.30	0.40
		<b>Total</b>	<b>3.30</b>	<b>35.84</b>
13.	Interest expenses	DCM Shriram Aqua Foods Ltd.	0.14	0.14
14.	Dividend paid	Sumant Investments Private Limited	57.00	27.52
		Key managerial personnel their relatives and their HUF	1.86	0.90
		<b>Total</b>	<b>58.86</b>	<b>28.42</b>
15.	Contribution to Provident and Superannuation fund trust	DCM Shriram Employees' Provident Fund Trust, DCM Shriram Officers' Superannuation Fund Trust	29.65	26.92
16.	Contribution for CSR activities	Sir Shriram Foundation	1.25	0.80

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

1. Includes post employment benefits Rs. 1.49 crores (previous year Rs. 1.40 crores)
2. Conversion of loan into compulsory convertible preference shares
3. Provision for incremental gratuity liability and leave encashment for the current year in respect of directors has not been considered above, since the provision is based on a actuarial basis for the Company as a whole.

## (ii) Expense recognised in respect of provision for doubtful debt/advance written off

		Rs. Crores		
	Particulars	This Year	Previous Year	
	Shri Ganpati Fertilizers Ltd .	2.73	2.27	
	Shriram Bioseed Ventures Ltd.	13.76	-	
	Bioseed Holding PTE Limited	1.46	-	
	<b>Total</b>	<b>17.95</b>	<b>2.27</b>	

## (iii) Balance outstanding as at the year end

(unsecured unless otherwise stated)

		Rs. Crores			
S. No.	Nature of outstanding	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1.	Security deposits receivable	Hariyali Rural Ventures Ltd.	8.58	11.03	15.58
		Relatives of Key management personnel and HUF's	8.34	8.34	8.34
		<b>Total</b>	<b>16.92</b>	<b>19.37</b>	<b>23.92</b>
2.	Loans and advances receivable	DCM Shriram Credit and Investments Ltd.	2.44	5.43	5.34
		DCM Shriram Infrastructure Ltd.	24.00	21.93	19.94
		Shriram Bioseed Ventures Ltd.	110.81	109.84	107.42
		Bioseed Holding PTE Limited	38.76	-	-
		Shri Ganpati Fertilizers Ltd. <sup>4</sup>	31.16	33.39	34.62
		DCM Shriram Foundation	0.01	0.01	0.01
		Bioseed Vietnam Ltd.	0.23	0.23	0.23
		Bioseed Research Philippines Ltd.	0.23	0.23	0.23
		Bioseeds Limited	-	10.24	3.45
		Hariyali Rural Ventures Ltd.	-	0.10	-
	<b>Total</b>	<b>207.64</b>	<b>181.40</b>	<b>171.24</b>	
3.	Loan payable	DCM Shriram Aqua Foods Ltd.	1.45	1.45	1.45
4.	Interest receivable	DCM Shriram Infrastructure Ltd.	0.13	0.08	0.02
		Shriram Bioseed Ventures Limited <sup>4</sup>	13.76	14.74	6.13
		Bioseeds Limited	-	0.03	0.02
		Bioseed Holdings PTE Limited <sup>4</sup>	1.46	-	-
	<b>Total</b>	<b>15.35</b>	<b>14.85</b>	<b>6.17</b>	
5.	Trade receivable	Bioseed Vietnam Ltd.	0.71	15.20	13.94
		Bioseed Research Philippines Ltd.	1.08	5.94	5.10
		PT Shriram Seed Indonesia	2.36	-	1.34
		Shriram Axiall Pvt. Limited	1.82	0.74	3.08
	<b>Total</b>	<b>5.97</b>	<b>21.88</b>	<b>23.46</b>	
6.	Interest payable	DCM Shriram Aqua Foods Ltd.	0.19	0.23	0.25
7.	Advance received from Customers	Fenesta India Ltd.	7.15	7.14	3.65
8.	Trade payable	Shri Ganpati Fertilizers Ltd.	0.02	0.02	0.02
		Shriram Axiall Pvt. Limited	0.01	-	-
		<b>Total</b>	<b>0.03</b>	<b>0.02</b>	<b>0.02</b>
9.	Commission payable	Key managerial personnel	12.69	9.29	6.04

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

Rs. Crores				
	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
4.	Provision for doubtful debts/advances against outstanding balances are as under:			
	Loans and advances receivable	17.43	24.14	21.88
	Interest receivable	13.76	-	-
	Shri Ganpati Fertilisers Limited	1.46	-	-
	Shriram Bioseed Ventures Limited			
	Bioseed Holdings PTE Limited			

The transactions with related parties are as per the terms of arrangement between the parties and to be settled through receipt/payment or sale/purchase of goods or services.

#### (iv) Maximum amount of loans and advances outstanding during the year:

Rs. Crores			
S. No.	Name of the Company	This year	Previous year
1.	DCM Shriram Credit and Investments Limited *	14.45	5.44
2.	DCM Shriram Infrastructure Limited *	22.18	22.00
3.	Shriram Bioseed Ventures Limited *	110.80	109.86
4.	Shri Ganpati Fertilizers Limited *	31.16	35.13
5.	Hariyali Rural Ventures Limited	11.03	15.58
6.	DCM Shriram Foundation	0.01	0.02
7.	Bioseeds Limited	10.24	38.30
8.	Bioseed Holding PTE Limited *	63.08	-
9.	Bioseed Vietnam Limited	0.23	0.23
10.	Bioseed Research Philippines Inc.	0.23	0.23

\* includes loans given during the year for working capital requirements

### 32. Employee Benefits

The Company has classified the various benefits provided to employees as under:-

#### (i) Defined contribution plans:

The Company has recognized the following amounts in the statement of profit and loss:

Rs. Crores		
	This year	Previous year
- Employers' contribution to provident fund *	22.10	19.58
- Employers' contribution to superannuation fund	7.55	7.34
- Employers' contribution to employees' state insurance corporation	0.28	0.19

\* There is no shortfall in the interest cost for which Company is liable as at the date of financial statement.

#### (ii) Disclosure in respect of defined benefit plans (Gratuity) is as under:

The principal assumptions used for the purpose of actuarial valuation were as under:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate per annum	7.75%	8%	8%
Expected rate of salary increase	7.50%	7%	7%
Mortality rate	IALM (2006-08) ultimate, duly modified	IALM (2006-08) ultimate, duly modified	IALM (2006-08) ultimate, duly modified



# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Withdrawal rates:			
- Upto 30 years	3%	3%	3%
- 31 to 44 years	2%	2%	2%
- above 44 years	1%	1%	1%
- Retirement age	58/60 yrs	58/60 yrs	58/60 yrs

(a) Amount recognised in statement of profit and loss in respect of the defined benefit plan are as follows:

	Rs. Crores	
	This year	Previous year
<b>Components of defined benefit costs recognised in profit or loss</b>		
Current service cost	6.95	6.33
Net interest expense	7.11	6.62
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>14.06</b>	<b>12.95</b>
<b>Components of defined benefit costs recognised in other comprehensive income</b>		
Actuarial (gain)/loss from changes in financial assumptions	5.65	-
Actuarial (gain)/loss arising from experience adjustments	7.09	2.56
Return on plan assets (higher)/lower than discount rate	0.10	(0.01)
<b>Total actuarial (gain)/loss recognised in other comprehensive income</b>	<b>12.84</b>	<b>2.55</b>
<b>Total amount recognised in statement of profit or loss</b>	<b>26.90</b>	<b>15.50</b>

The current service cost and the net interest expense for the year are included in the salaries, wages, bonus, gratuity etc. in note 22 "Employee Benefits expense".

The actuarial (gain)/loss on remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

	Rs. Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Present value of defined benefit obligation	118.34	99.83	93.10
Fair value of plan assets	(2.71)	(2.49)	(2.06)
<b>Net liability arising from defined benefit obligation</b>	<b>115.63</b>	<b>97.34</b>	<b>91.04</b>
- Non-current liability	95.43	83.01	76.61
- Current liability	20.20	14.33	14.43

(c) Movements in the fair value of plan assets are as follows:

	Rs. Crores	
	This year	Previous year
Opening fair value of plan assets	2.49	2.06
Expected return on plan assets	0.21	0.16
Employer contribution	0.40	0.39
Remeasurement gains/(losses):		
- Return on plan assets (higher)/lower than discount rate	(0.10)	0.01
Benefits paid	(0.29)	(0.13)
<b>Closing fair value of plan assets</b>	<b>2.71</b>	<b>2.49</b>

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## (d) Movements in the present value of defined benefit obligations are as follows:

	Rs. Crores	
	This year	Previous year
Opening defined benefit obligation	99.83	93.10
Current service cost	6.95	6.33
Interest cost	7.32	6.78
Remeasurement (gains)/losses:		
- Actuarial (gain)/loss from changes in financial assumptions	5.65	-
- Actuarial (gain)/loss arising from experience adjustments	7.09	2.56
Benefits paid by employer	(8.21)	(8.81)
Benefits paid from plan assets	(0.29)	(0.13)
<b>Closing defined benefit obligations</b>	<b>118.34</b>	<b>99.83</b>

## (e) Sensitivity analysis

The significant actuarial assumption for the determination of defined benefit obligations are discount rate and expected salary increase.

	Rs. Crores	
	As at March 31, 2017	As at March 31, 2016
Sensitivity of gross defined benefit obligation as mentioned above, in case of change in significant assumptions, would be as under :		
<b>Discount rate</b>		
(i) Discount rate -100 basis point	126.68	106.93
(ii) Discount rate +100 basis point	110.63	93.63
<b>Salary increase rate</b>		
(i) rate -100 basis point	110.76	93.68
(ii) rate +100 basis point	126.23	106.68

## (f) Major categories of plan assets

The plan assets at one of the unit are maintained with LIC of India Gratuity Scheme. The details of investment maintained by LIC are not available and have therefore not been disclosed.

(g) The Company expects to contribute Rs. 0.75 crores to the LIC fund during the year 2017-18.

(h) The average expected future working life of members of the defined benefit obligation as at March 31, 2017 is 15.82 years (as at March 31, 2016: 15.97 years)

## 33. (a) Amount recognised in statement of profit and loss for investment properties

	Rs. Crores	
	This year	Previous year
Rental income	4.29	4.29
Direct operating expenses from property that generated rental income	0.11	0.11
Income from investment properties before depreciation	4.18	4.18
Depreciation	0.12	0.10
Income from investment properties after depreciation	4.06	4.08

## (b) Leasing arrangements

One of the investment property has been leased out on long term operating leases with monthly rental payment. Minimum lease payment receivable under non-cancellable operating lease are as under:

## Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

	Rs. Crores	
	This Year	Previous Year
Within one year	2.68	4.29
Later than 1 year but not later than 5 years	-	2.68
	<b>2.68</b>	6.97

### (c) Fair value

The fair value of the Company's investment properties as at March 31, 2017, March 31, 2016 and April 1, 2015 have been arrived at on the basis of a valuation carried out by government approved independent valuers. The inputs used in fair valuation are circle rate of the property, prevailing market price of the similar kind of property in that area and other relevant factors.

Information about the fair value of the Company's investment properties and fair value hierarchy are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fair value of the investment properties (Rs. Crores)	<b>57.41</b>	61.19	65.88
Fair valuation hierarchy	<b>Level 3</b>	Level 3	Level 3

### 34. Disclosure in respect of operating leases as per Ind AS 17 'Leases' :

#### (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 with renewal option on mutual consent, and which can be terminated after lock-in-period by serving notice period as per the terms of the agreements.

	Rs. Crores	
Particulars	This year	Previous year
(ii) Information w.r.t. non-cancellable leases:		
Total of minimum lease payments	<b>0.54</b>	4.01
The total of minimum lease payments for a period :		
- Not later than one year	<b>0.52</b>	3.52
- Later than one year and not later than five years	<b>0.02</b>	0.49
- Later than five years	-	-
(iii) Lease payment recognised in the statement of profit and loss for the year* (including cancellable and non-cancellable leases)	<b>26.27</b>	25.06

\*Rs. 1.90 crores (2015-16 – Rs. 2.05 crores) is included in Employees benefits expense

#### (b) Assets given on lease:

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

	Gross Block as at		Accumulated depreciation as at		Depreciation	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	This year	Previous year
Land and building	<b>19.62</b>	19.18	<b>0.60</b>	0.30	<b>0.30</b>	0.30
Plant and equipment	<b>0.45</b>	0.45	<b>0.08</b>	0.04	<b>0.04</b>	0.04
Furniture and fixtures	<b>0.16</b>	0.16	<b>0.09</b>	0.05	<b>0.04</b>	0.05
Office equipments	<b>0.01</b>	0.01	-	-	-	-
	<b>20.24</b>	19.80	<b>0.77</b>	0.39	<b>0.38</b>	0.39

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

(ii) Information w.r.t. non-cancellable leases:

	Rs. Crores	
	This year	Previous year
Future minimum lease rent receivables	14.16	19.15
- Not later than one year	3.11	4.72
- Later than one year and not later than five years	1.88	4.47
- Later than five years	9.17	9.96

### 35. Information w.r.t. a joint venture is as under:

Name of Joint Venture	Shriram Axiall Private Limited
Country of incorporation	India

	Rs. Crores	
Particulars	This year	Previous year
Share of profit before tax	0.11	1.07
Share of profit after tax	0.04	0.73
Share of other comprehensive income/(loss)	(0.13)	(0.09)
Share of total comprehensive income/(loss)	(0.09)	0.64
Ownership Interest	50%	50%

### 36. The details of disputed Excise Duty, Service Tax, Income-Tax, Custom Duty and Sales-Tax dues as on March 31, 2017 are as follows:

Rs. Crores					
Nature of the statute	Nature of the dues	Forum where pending	Amount*	Amount paid under protest	Period to which the amount relates
Central Excise Law	Excise Duty	Appellate authority up to Commissioners' level	0.48	0.05	2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14
		Customs, Excise and Service Tax Appellate Tribunal	4.31	0.41	1997-98, 2004-05, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	31.83	31.71	2005-06, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13
Income Tax Act, 1961	Income Tax	Appellate authority up to Commissioners' level	6.44	6.44	2010-11, 2011-12, 2012-13
		Income Tax Appellate Tribunal	2.21	2.21	2009-10
Customs Act, 1962	Customs Duty	Customs, Excise and Service Tax Appellate Tribunal	5.38	0.54	2012-13
Sales Tax Laws	Sales tax	Appellate authority up to Commissioners' level	1.60	0.34	1983-84, 2001-02, 2005-06, 2007-08, 2010-11, 2011-12, 2012-13, 2013-14
		Appellate Tribunal	2.39	0.95	1994-95, 2009-10

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

## Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

**37.** Provision for contingencies in note 14 represents provision for various contingencies resulting from issues relating to reconstruction arrangement of the companies and other uncertainties requiring management judgement.

Particulars	Rs. Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision as at the beginning of the year	20.74	12.09	12.09
Provision made during the year	-	8.65	-
Provision as at the end of the year	20.74	20.74	12.09

**38.1** Donation includes Rs. 3 crores (2015-16 - Rs. Nil) to Satya Electoral Trust as political contribution.

**38.2** Expenditure on corporate social responsibility activities under section 135 of the Companies Act 2013 as under:

Particulars	Rs. Crores	
	This year	Previous year
Amount required to be spent	6.52	5.03
Actual expenditure	6.60	5.03

**39.** Research and development expenses included under relevant heads in the statement of profit and loss Rs. 42.80 crores (2015-16- Rs. 39.03 crores).

The details of expenditure incurred on scientific research and development centres recognized by Department of Scientific and Industrial Research (DSIR) are as under:

Particulars	Rs. Crores			
	Revenue Expenditure		Capital Expenditure	
	This year	Previous year	This year	Previous year
ICRISAT - Hyderabad, Telangana	10.85	10.59	0.01	0.25
MOKILA - District Ranga Reddy, Telangana	11.05	10.56	0.11	0.48
<b>Total</b>	<b>21.90</b>	<b>21.15</b>	<b>0.12</b>	<b>0.73</b>

### 40. Employee share based payments

The Company has an Employees Stock Purchase Scheme (DCM Shriram ESPS) which is administered through DCM Shriram Employees Benefits Trust based on acquisition of shares from the market to provide equity based incentives to employees under the Scheme. The shares offered, lock-in-period and grant price may be different for different eligible participants and determined at the time of every grant of shares. The expenses related to the grant of shares under the Scheme is accounted for on the basis of the fair value (which equals to market price of the Company's share on date of grant less exercise price) of share on the date of grant and is amortized on a straight line basis over the lock-in period, if any.

The number and weighted average fair value of equity shares granted during the year are as under:

	This year	Previous year
No. of equity shares granted during the year	75,000	479,500
Weighted average fair value on the grant date (Rs. per equity share)	206.25	113.29

### 41. Assets pledged as security

**A. The carrying amount of assets pledged as security for borrowings are as under:**

Particulars	Rs. Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets	1,426.26	1,558.49	1,345.70
Inventories	1,582.11	1,277.55	1,079.80
Property, Plant and Equipment	1,880.45	1,007.02	1,267.53
<b>Total</b>	<b>4,888.82</b>	<b>3,843.06</b>	<b>3,693.03</b>

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## B. Nature of security and terms of repayment for secured borrowings

S.No.	Nature of Security	Terms of Repayment
<b>Short term working capital borrowings from banks:</b>		
1.	Loans from banks on cash credit account of Rs. 169.47 Crores (March 31, 2016 – Rs. 96.24 Crores, April 1, 2015 - Rs. 101.27 Crores) are secured by first pari passu charge on whole of the current assets, both present and future, of the company (except Shriram Bioseed Genetics, Hyderabad & Bioseed Research India, Hyderabad). These loans are further secured by a third charge by way of mortgage/hypothecation of all the immovable/movable properties (other than current assets) of the Company's undertakings at Kota in Rajasthan and Ajbapur, Rupapur, Loni & Hariawan in Uttar Pradesh. Amount of Rs. 0.12 Crores (March 31, 2016 – Rs. 2.50 crores, April 1, 2015 - Rs. Nil) 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.	- Repayable on demand
2.	Short Term Loans of Rs. 235.44 Crores (March 31, 2016 - Rs. 321.69 Crores, April 1, 2015 - Rs. 196.53 Crores) are secured by first pari passu charge on whole of the current assets, both present and future, of the Company (except Shriram Bioseed Genetics, Hyderabad & Bioseed Research India, Hyderabad), and a third charge by way of mortgage/hypothecation of all the immovable/movable properties (other than current assets) of the Company's undertakings at Kota in Rajasthan and Ajbapur, Rupapur, Loni & Hariawan in Uttar Pradesh.	- Repayable as per terms of agreement upto July 28, 2017
<b>Long term loans from banks:</b>		
1.	Term loan of Rs. 64.57 Crores (March 31, 2016 – Rs. 96.86 Crores, April 1, 2015 - Rs. 96.59 Crores) is secured by way of second pari passu charge created on all the current assets, both present and future, of the Company (except Shriram Bioseed Genetics, Hyderabad & Bioseed Research India, Hyderabad) and by way of third pari passu mortgage /charge created on immovable/movable fixed assets, both present and future, of sugar units of the Company located at Ajbapur, Rupapur, Hariawan and Loni (Rs. 32.29 Crores due within 1 year; March 31, 2016 - Rs. 32.29 Crores; April 1, 2015 - Rs. Nil).	- Repayable in 24 equal monthly installments
2.	Term Loan of Rs. Nil (March 31, 2016 - Rs. Nil, April 1, 2015 - Rs. 31.25 Crores) is secured by way of first pari-passu mortgage/charge created on immovable /movable fixed assets, both present and future, of the company's undertaking at Loni Sugar Complex, Uttar Pradesh and Rs. Nil (March 31, 2016 - Rs. Nil, April 1, 2015 - Rs. 10.42 Crores) is secured by way of first charge created on movable fixed assets, both present and future, of the Company's undertaking at Rupapur Sugar Complex, Uttar Pradesh (Rs. Nil due within 1 year; March 31, 2016 - Rs. Nil; April 1, 2015 - Rs. 41.67 Crores due within 1 year).	-
3.	Term loan of Rs. 53.90 Crores (March 31, 2016 - Rs. Nil; April 1, 2015 - Rs. Nil) is secured by way of first pari passu mortgage/charge to be created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Ajbapur, Uttar Pradesh (Rs. Nil due within 1 year; March 31, 2016 - Rs. Nil; April 1, 2015 - Rs. Nil).	- Repayable in 20 equal quarterly installments commencing from January, 2022
4.	Term loan of Rs. 130.06 Crores (March 31, 2016 - Rs. 162.19 Crore; April 1, 2015 - Rs. Nil) is secured by way of first pari passu mortgage/charge created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Kota, Rajasthan (Rs. 29.09 Crores due within 1 year; March 31, 2016 - Rs. 29.72 Crores; April 1, 2015 - Rs. Nil).	- Repayable in 9 equal semi-annual installments
5.	Term loan of Rs. 129.07 Crores (March 31, 2016- Rs. Nil; April 1, 2015 - Rs. Nil) is secured by way of first pari passu mortgage/charge created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Kota, Rajasthan (Rs. Nil due within 1 year; March 31, 2016 - Rs. Nil; April 1, 2015 - Rs Nil).	- Repayable in 10 equal semi-annual installments commencing from December, 2018
<b>Long term loans from others:</b>		
1.	Term loan of Rs. Nil (March 31, 2016 - Rs.Nil, April 1, 2015 - Rs.192.31 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, Dist Bharuch in equal proportion (Rs. Nil due within 1 year; March 31, 2016 - Rs. Nil; April 1, 2015 - Rs. 48.08 Crores).	-





## Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

S.No.	Nature of Security	Terms of Repayment
<b>Long term loans from others:</b>		
2.	Term loan of Rs. Nil (March 31, 2016 - Rs. Nil, April 1, 2015 - Rs.12.50 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. Nil due within 1 year; March 31, 2016 - Rs. Nil; April 1, 2015 - Rs. 12.50 Crores).	-
3.	Term loan of Rs. Nil (March 31, 2016 - Rs. 2.92 Crores; April 1, 2015 - Rs. 8.25 Crores) is secured by way of first pari passu mortgage/charge created on immovable/movable assets (excluding current assets), both present and future and a second charge ranking pari passu on the current assets, both present and future, pertaining to the Company's Hariawan Sugar Complex, Uttar Pradesh (Rs. Nil due within 1 year; March 31, 2016 - Rs. 2.92 Crores; April 1, 2015 - Rs. 5.49 Crores).	-
4.	Term loan of Rs. 126.48 Crore (March 31, 2016 - Rs. Nil; April 1, 2015 - Rs. Nil) is secured by way of first pari passu mortgage/charge created/ to be created on immovable/movable Fixed Assets, both present and future and a second charge ranking pari passu on the current assets, both present and future, pertaining to the Company's Bharuch unit, Gujarat (Rs. Nil due within 1 year; March 31, 2016 - Rs. Nil; April 1, 2015 - Rs. Nil).	- Repayable in 17 equal semi-annual installments commencing from December, 2018
5.	Term loan of Rs. 10.65 Crores (March 31, 2016 - Rs. 15.98 Crores; April 1, 2015 - Rs. 21.30 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts), both present and future, pertaining to the Company's Ajbapur Sugar Complex, Uttar Pradesh (Rs. 5.33 Crores due within 1 year; March 31, 2016 - Rs. 5.33 Crores; April 1, 2015 - Rs. 5.33 Crores).	- Repayable in 2 equal annual installments
6.	Term loan of Rs. Nil (March 31, 2016 - Rs. 3.28 Crores; April 1, 2015 - Rs. 6.56 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts), both present and future, pertaining to the Company's Hariawan Sugar Complex, Uttar Pradesh (Rs. Nil due within 1 year; March 31, 2016 - Rs. 3.28 Crores; April 1, 2015 - Rs. 3.28 Crores).	-
7.	Term loan of Rs. 11.39 Crores (March 31, 2016 - Rs. 14.24 Crores; April 1, 2015 - Rs. 14.24 Crores) is secured by way of an exclusive second charge on all immovable and movable assets (save and except book debts) both present and future, pertaining to the Company's Rupapur Sugar Complex, Uttar Pradesh (Rs. 2.84 Crore due within 1 year; March 31, 2016 - Rs. 2.84 Crore; April 1, 2015 - Rs. Nil).	- Repayable in 4 annual equal installments
8.	Term Loan of Rs. 5.38 Crores (March 31, 2016 - Rs. 7.52 Crores; April 1, 2015 - Rs. 9.68 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts) both present and future, pertaining to the Company's Loni Sugar Complex, Uttar Pradesh (Rs. 2.15 Crores due within 1 year; March 31, 2016 - Rs. 2.15 Crores; April 1, 2015 - Rs. 2.15 Crores).	- Repayable in 5 equal semi-annual installments
9.	Term loan of Rs. 2.37 Crores (March 31, 2016 - Rs. 2.65 Crores; April 1, 2015 - Rs. 2.53 Crores) from Department of Biotechnology, Government of India is secured against hypothecation of plant & machinery, machinery spares, tools and accessories acquired from the loan proceeds to Company's Bioseed Research India division. (Rs. 0.45 Crores due within 1 year; March 31, 2016 - Rs. 0.36 Crores; April 1, 2015 - Rs. 0.29 Crores).	- Rs. 0.12 Crores repayable in 4 equal annual installments - Rs. 1.28 Crores repayable in 5 equal annual installments - Rs. 0.60 Crores repayable in 9 equal semi-annual installments - Rs. 0.37 Crore repayable in 10 equal semi-annual installments commencing after one year from the completion of the project

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## 42. Income tax expense

	Rs. Crores	
	This year	Previous year
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	39.59	64.46
Adjustments for current tax of prior year	(11.05)	-
<b>Total current tax expense</b>	<b>28.54</b>	64.46
<b>Deferred tax</b>		
Deferred tax charge/(credit)	40.40	(2.37)
<b>Total tax expense</b>	<b>68.94</b>	62.09

### (b) Reconciliation of tax expense and the accounting profit

Profit before tax	591.01	415.08
Income tax expense calculated at 34.608%	204.54	143.65
(i) Tax effect of:		
- Income exempt from tax	(0.90)	(1.65)
- Corporate social responsibility expenses not allowed as deduction	2.29	1.74
- Weighted deduction on research and development expenses	(4.76)	(3.95)
- Deduction under section 80-IA of the Income tax act 1961	(110.91)	(90.82)
- Additional deduction on addition to plant and equipment under section 32AC	(33.93)	(2.32)
- previously unrecognised tax losses now recouped to reduce current tax expense	(2.32)	-
- deductible temporary differences on which no deferred tax is recognised	24.64	2.99
(ii) Provision for MAT credit entitlement	-	7.23
(iii) Capital gain tax	0.81	2.27
(iv) Others	(10.52)	2.95
<b>Income tax expense</b>	<b>68.94</b>	62.09

### (c) Tax effect on unrecognised temporary differences relating to:

(i) Provision for impairment in value of investments	16.13	-
(ii) Provision for impairment in value of land	2.30	2.00
(iii) Difference in tax base and accounting base of asset held for sale	5.31	4.76
(iv) Provision for doubtful debts	-	2.32
<b>Total</b>	<b>23.74</b>	9.08

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## (d) Deferred tax movements

Deferred tax assets/(liabilities) in relation to:

	Rs. Crores					
	Provision for gratuity and compensated absences	Provision for doubtful debts and advances	Depreciation	Others	MAT credit entitlement	Total
As at April 1, 2015	53.38	5.50	(211.94)	31.16	101.15	(20.75)
(Charged)/credited to:						
Profit or loss	3.56	(0.78)	(9.92)	9.51	25.43	27.80
Other comprehensive income	0.88	-	-	0.36	-	1.24
As at March 31, 2016	57.82	4.72	(221.86)	41.03	126.58	8.29
(Charged)/credited to:						
Profit or loss	5.81	7.25	(59.19)	5.73	113.68	73.28
Other comprehensive income	4.45	-	-	(0.49)	-	3.96
<b>As at March 31, 2017</b>	<b>68.08</b>	<b>11.97</b>	<b>(281.05)</b>	<b>46.27</b>	<b>240.26</b>	<b>85.53</b>

## 43. Financial instruments by category

The criteria for recognition of financial instruments is explained in significant accounting policies note 1.3 (j)

	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Amortised cost	FVTOCI	FVTPL	Amortised cost	FVTOCI	FVTPL	Amortised cost	FVTOCI	FVTPL
<b>Financial assets</b>									
Investments									
- Equity instruments	-	1.85	-	-	1.13	-	-	1.13	-
- Preference shares	0.70	-	-	0.40	-	-	-	-	-
- Government securities	0.06	-	-	0.08	-	-	0.08	-	-
Trade receivables	979.30	-	-	1,257.35	-	-	1,009.98	-	-
Loans	188.99	-	-	161.23	-	-	149.51	-	-
Cash and cash equivalents and bank balances	91.01	-	105.00	30.64	-	-	83.44	-	-
Derivative financial assets		2.03	3.68	-	0.27	24.84	-	-	19.55
Others	63.93	-	-	84.16	-	-	83.22	-	-
<b>Total financial assets</b>	<b>1,323.99</b>	<b>3.88</b>	<b>108.68</b>	<b>1,533.86</b>	<b>1.40</b>	<b>24.84</b>	<b>1,326.23</b>	<b>1.13</b>	<b>19.55</b>
<b>Financial liabilities</b>									
Borrowings	979.92	-	-	980.49	-	-	624.62	-	-
Trade payables	1,154.21	-	-	1,126.87	-	-	1,076.52	-	-
Other financial liabilities	175.91	-	-	240.50	-	-	196.79	-	-
Derivative financial liabilities	-	0.89	22.09	-	0.50	17.96	-	-	10.64
<b>Total financial liabilities</b>	<b>2,310.04</b>	<b>0.89</b>	<b>22.09</b>	<b>2,347.86</b>	<b>0.50</b>	<b>17.96</b>	<b>1,897.93</b>	<b>-</b>	<b>10.64</b>

Note: The fair value of non-current financial assets and financial liabilities carried at amortized cost is substantially same as their carrying amount.

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## 44. Capital management

The Company endeavors to optimize debt and equity balance and provide adequate strength to the balance sheet. The Company monitors capital on the basis of debt equity ratio.

## 45. Financial risk management

The Company's activities expose it to various financial risks : Credit risk, Liquidity risk and Market risk.

### 45.1 Credit risk management

Credit risk arises from credit exposure to customers (including receivables and deposit), loans and other financial assets. The Company perform credit evaluation and defines credit limits for each customer/counter party. The Company also continuously reviews and monitors the same.

The provision for doubtful debts or provision for impairment of investments etc. is made on case to case basis, based on the information related to financial position, past history, and other relevant available information about the counterparty.

The Company also makes general provision for lifetime expected credit loss based on its previous experience of provision/write off in previous years.

The movement in the provision for doubtful debts and provision diminution in value of investments is as under:

Particulars	Rs. Crores		
	Trade receivables	Loans	Investments
Provision as at April 1, 2015	14.70	7.01	0.50
Provision made during the year 2015-16	0.98	-	-
Written off during the year 2015-16	2.89	-	0.50
Provision as at March 31, 2016	12.79	7.01	-
Provision made during the year 2016-17	7.88	-	69.90
Written off during the year 2016-17	2.12	-	-
<b>Provision as at March 31, 2017</b>	<b>18.55</b>	<b>7.01</b>	<b>69.90</b>

### 45.2 Liquidity risk management

(i) The Company manages liquidity by ensuring control on its working capital which involves adjusting production levels and purchases to market demand and daily sales of production and low receivables. It also ensures adequate credit facilities sanctioned from bank to finance the peak estimated funds requirements. The working capital credit facilities are continuing facilities which are reviewed and renewed every year.

The Company also ensures that the long term funds requirements are met through adequate availability of long term capital (Debt & Equity).

	Rs. Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total Committed working capital limits from Banks	<b>870.00</b>	870.00	1,100.00
Utilized working capital limit	<b>277.73</b>	629.03	312.17
Unutilized working capital limit	<b>592.27</b>	240.97	787.83

### (ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amount disclosed in the table are the contractual undiscounted cash flow.

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## Contractual maturities of financial liabilities

	Rs. Crores			
	upto 1 year	Between 1 year to 5 year	Over 5 years	Total
<b>As at March 31, 2017</b>				
<b>Non-derivatives</b>				
Borrowing *	195.78	362.29	114.66	672.73
Trade Payables	1,154.21	-	-	1,154.21
Other financial liabilities	82.67	-	-	82.67
<b>Total non-derivative liabilities</b>	<b>1,432.66</b>	<b>362.29</b>	<b>114.66</b>	<b>1,909.61</b>
<b>Derivatives (net settled)</b>				
Foreign exchange forward Contract	22.98	-	-	22.98
<b>Total derivative liabilities</b>	<b>22.98</b>	<b>-</b>	<b>-</b>	<b>22.98</b>
<b>As at March 31, 2016</b>				
<b>Non-derivatives</b>				
Borrowing *	173.27	258.40	0.22	431.89
Trade Payables	1,126.87	-	-	1,126.87
Other financial liabilities	156.27	-	-	156.27
<b>Total non-derivative liabilities</b>	<b>1,456.41</b>	<b>258.40</b>	<b>0.22</b>	<b>1,715.03</b>
<b>Derivatives (net settled)</b>				
Foreign exchange forward Contract	18.46	-	-	18.46
<b>Total derivative liabilities</b>	<b>18.46</b>	<b>-</b>	<b>-</b>	<b>18.46</b>
<b>As at April 1, 2015</b>				
<b>Non-derivatives</b>				
Borrowing *	131.39	300.38	0.31	432.08
Trade Payables	1,076.52	-	-	1,076.52
Other financial liabilities	77.43	-	-	77.43
<b>Total non-derivative liabilities</b>	<b>1,285.34</b>	<b>300.38</b>	<b>0.31</b>	<b>1,586.03</b>
<b>Derivatives (net settled)</b>				
Foreign exchange forward Contract	10.24	-	-	10.24
Interest rate swap	0.40	-	-	-
<b>Total derivative liabilities</b>	<b>10.64</b>	<b>-</b>	<b>-</b>	<b>10.24</b>

\* Excludes utilized working capital limited disclosed in note 45.2 (i)

### 45.3 Market Risk

(a) The Company's operations are mainly in India and therefore rupee denominated, except the following:

- Foreign currency denominated loans (Long term & Short term).
- Imports of some raw material, stores & spares and capital equipments.

The Company follows a policy of keeping these liabilities fully hedged against foreign currencies. Regarding interest rate fluctuation, it follows a policy of partial hedge.

Some of the rupee liabilities have interest linked to the bank's MCLR or Financial market benchmark rates and are subject to variation in such rates.

(b) The Company's exposure to foreign currency risk at the end of the reporting period is with respect to loan of USD 5 mn (INR 32.40 crores; March 31, 2016 - Rs. 33.13 crores; April 1, 2015 - Rs 31.25 crores) which is hedged by an option contract that has become ineffective.

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## (c) Sensitivity

With respect to the above unhedged exposure the sensitivity is as follows:

	Rs. Crores	
	Impact on profit before tax	
	March 31, 2017	March 31, 2016
<b>USD sensitivity *</b>		
INR/USD - Increase by 5%	1.62	1.66
INR/USD - Decrease by 5%	(1.62)	(1.66)

\* Holding all other variable constant

## (d) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate change at the end of the reporting period are as follows:

	Rs. Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Variable rate borrowings</b>			
Long Term	308.52	132.48	123.40
Short Term	207.23	495.48	362.50
<b>Total Variable rate borrowings</b>	515.75	627.96	485.90
<b>Fixed rate borrowings</b>			
Long Term	163.42	124.68	177.02
Short Term	393.99	306.81	81.06
<b>Total fixed rate borrowings</b>	557.41	431.49	258.08
<b>Total Borrowings</b>	1,073.16	1,059.45	743.98

## (e) Sensitivity

Variable interest rate loans are exposed to Interest rate risk, the impact on profit or loss before tax may be as follows:

	Rs. Crores	
	Impact on profit before tax	
	This Year	Previous Year
Interest rate - increase by 100 basis points (100 bps)*	(5.21)	(6.29)
Interest rate - decrease by 100 basis points (100 bps)*	5.21	6.29

\* Holding all other variable constant



# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## Impact of hedging activities

### (a) Disclosure of effects of hedge accounting on financial position:

Rs. Crores

March 31, 2017									
Type of hedge and risks	Nominal value of hedged instruments#		Carrying amount of hedging instrument##		Maturity date	Hedge ratio	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>Cash Flow hedge</b>									
Foreign exchange risk									
(i) Foreign exchange forward contracts	50.61	-	49.16	-	10-Apr-17 to 23-Oct-17	1:1	USD 66.72 EUR 72.37	(1.45)	1.45
<b>Fair value hedge</b>									
(i) Foreign exchange forward contracts	464.09	42.53	467.16	41.12	11-Apr-17 to 29-Sep-17	1:1	USD 66.06 EUR 74.20 JPY 0.54	(4.63)	4.63

# Nominal value is the INR value of the instrument based on spot rate of the first hedge

## Carrying value is the INR value of the instrument based on the spot rate of the reporting date

March 31, 2016									
<b>Cash Flow hedge</b>									
Foreign exchange risk									
(i) Foreign exchange forward contracts	46.24	-	49.37	-	18-Apr-16 to 7-Oct-16	1:1	USD 67.20 EUR 74.54 JPY 0.55 CHF 68.27	2.31	(2.31)
<b>Fair value hedge</b>									
(i) Foreign exchange forward contracts	698.88	11.65	728.08	12.25	4-Apr-16 to 30-Dec-16	1:1	USD 63.75 EUR 71.92 JPY 0.54 CHF 69.80	28.60	(28.60)
(ii) Complete currency swap (Principal portion)	2.75	-	2.92	-	15-Jun-16	1:1	USD 62.50	(0.63)	0.63

April 1, 2015									
<b>Cash Flow hedge</b>									
Foreign exchange risk									
(i) Foreign exchange forward contracts	1.30	-	1.30	-	13-Apr-15 to 14-May-15	1:1	USD 62.50	-	-
<b>Fair value hedge</b>									
(i) Foreign exchange forward contracts	533.81	7.52	533.81	7.52	6-Apr-15 to 29-Jan-16	1:1	USD 62.50 EUR 67.20	-	-
(ii) Complete currency swap (Principal portion)	63.81	-	63.81	-	15 Jun 2015 to 15 Dec 2016	1:1	USD 62.50	-	-

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## (b) Disclosure of effect of hedge accounting on financial performance

Movement in cash flow hedging reserve and costs of hedging reserve

Rs. Crores

Risk category Derivative instrument	Foreign currency risk	Interest rate risk	Total
	Foreign exchange forward contracts	Interest rate swaps	
<b>(i) Cash flow hedging reserve</b>			
<b>As at 1 April 2015</b>	-	-	-
Add: Change in spot element of foreign exchange forward contracts	10.42	-	<b>10.42</b>
Add: Changes in fair value of interest rate swaps	-	0.52	<b>0.52</b>
Less :Hedge ineffectiveness recognised in profit or loss under the heading 'Net loss on foreign currency transactions and translation'	0.11	(0.25)	<b>(0.14)</b>
Less: Amount reclassified to profit or loss under the heading 'Cost of materials consumed'	(0.83)	-	<b>(0.83)</b>
Less: Amount included in Property, plant and equipment	(0.61)	-	<b>(0.61)</b>
Less: Amount included in Capital work in progress	(8.89)	-	<b>(8.89)</b>
Less: Amount included in cost of inventory	(0.04)	-	<b>(0.04)</b>
Less: Deferred tax relating to above (net)	(0.06)	(0.09)	<b>(0.15)</b>
<b>As at March 31, 2016</b>	<b>0.10</b>	<b>0.18</b>	<b>0.28</b>
Add: Change in spot element of foreign exchange forward contracts	25.16	-	<b>25.16</b>
Add: Changes in fair value of interest rate swaps	-	2.00	<b>2.00</b>
Less: Hedge ineffectiveness recognised in profit or loss under the heading 'Net loss on foreign currency transactions and translation'	0.03	(0.21)	<b>(0.18)</b>
Less: Amount reclassified to profit or loss under the heading 'Cost of materials consumed'	(0.44)	-	<b>(0.44)</b>
Less: Amount included in Property, plant and equipment	(26.12)	-	<b>(26.12)</b>
Less: Amount included in Capital work in progress	0.01	-	<b>0.01</b>
Less: Deferred tax relating to above (net)	0.47	(0.62)	<b>(0.15)</b>
<b>As at March 31, 2017</b>	<b>(0.79)</b>	<b>1.35</b>	<b>0.56</b>
<b>(ii) Costs of hedging reserve</b>			
<b>As at April 1, 2015</b>	-	-	-
Add: Deferred cost of hedging - transaction related	(14.28)	-	<b>(14.28)</b>
Less: Included in the carrying amount of hedged item	12.80	-	<b>12.80</b>
Less: Deferred tax relating to above (net)	0.51	-	<b>0.51</b>
<b>As at March 31, 2016</b>	<b>(0.97)</b>	-	<b>(0.97)</b>
Add: Deferred cost of hedging - transaction related	(9.77)	-	<b>(9.77)</b>
Less: Included in the carrying amount of hedged item	10.75	-	<b>10.75</b>
Less: Deferred tax relating to above (net)	(0.34)	-	<b>(0.34)</b>
<b>As at March 31, 2017</b>	<b>(0.33)</b>	-	<b>(0.33)</b>

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## 46. Fair value hierarchy

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table presents fair value hierarchy of financial assets and financial liabilities measured at fair value on a recurring basis:

	Rs. Crores			
	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2017</b>				
<b>Financial assets</b>				
Investments in liquid mutual fund at FVTPL	105.00	-	-	105.00
Investments in equity shares (unquoted) at FVTOCI	-	-	1.85	1.85
Interest rate swaps designated in hedge accounting relationship at FVTOCI	-	2.03	-	2.03
Other derivatives (foreign currency options) at FVTPL	-	3.68	-	3.68
<b>Total financial assets</b>	<b>105.00</b>	<b>5.71</b>	<b>1.85</b>	<b>112.56</b>
<b>Financial liabilities</b>				
Foreign currency forward contracts designated in hedge accounting relationship	22.98	-	-	22.98
<b>Total financial liabilities</b>	<b>22.98</b>	<b>-</b>	<b>-</b>	<b>22.98</b>
<b>As at March 31, 2016</b>				
<b>Financial assets</b>				
Investments in equity shares (unquoted) at FVTOCI	-	-	1.13	1.13
Interest rate swaps designated in hedge accounting relationship at FVTOCI	-	0.07	-	0.07
Other derivatives (foreign currency options) at FVTOCI	-	0.20	-	0.20
Other derivatives (foreign currency options) at FVTPL	-	24.84	-	24.84
<b>Total financial assets</b>	<b>-</b>	<b>25.11</b>	<b>1.13</b>	<b>26.24</b>
<b>Financial liabilities</b>				
Foreign currency forward contracts designated in hedge accounting relationship	18.46	-	-	18.46
<b>Total financial liabilities</b>	<b>18.46</b>	<b>-</b>	<b>-</b>	<b>18.46</b>
<b>As at April 1, 2015</b>				
<b>Financial assets</b>				
Investments in equity shares (unquoted) at FVTOCI	-	-	1.13	1.13
Other derivatives (foreign currency options) at FVTPL	-	19.55	-	19.55
<b>Total financial assets</b>	<b>-</b>	<b>19.55</b>	<b>1.13</b>	<b>20.68</b>
<b>Financial liabilities</b>				
Foreign currency forward contracts designated in hedge accounting relationship	10.24	-	-	10.24
Interest rate swaps designated in hedge accounting relationship	0.40	-	-	0.40
<b>Total financial liabilities</b>	<b>10.64</b>	<b>-</b>	<b>-</b>	<b>10.64</b>

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

## 47. Asset classified as held for sale

The segment to which the 'assets held for sale' relates are as under:

Particulars	Rs. Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
- Sugar	0.44	-	-
- Others (Hariyali Kisaan Bazar)	92.32	104.45	126.58
- Unallocated	22.37	-	-
	<b>115.13</b>	<b>104.45</b>	<b>126.58</b>

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

During the year, Ministry of Coal de-allocated the lignite block earlier allocated to the Company and consequent there to, the land purchased for lignite block is re-classified as assets held for sale and is included in the 'unallocated' business segment.

Assets classified as held for sale is measured at the lower of the carrying amount and fair value less costs to sell at the reporting date. The fair value of the assets held for sale is determined using level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures.

Amounts recognised in the statement of profit and loss on assets held for sale is as under:

Particulars	Rs. Crores	
	This year	Previous year
Provision for impairment in value of assets held for sale included in 'other expenses' in the statement of profit and loss	8.30	5.10
Profit (net) recognised in 'other income' in the statement of profit and loss on sale of assets held for sale	3.71	2.31

48. Based on the information available with the Company, the principal amount and interest due to Micro and small enterprise as defined under the "Micro, Small and Medium Enterprise Development Act 2006" is Rs 0.82 crores (March 31, 2016 - Rs 1.14 crores; April 1, 2015 - Rs. 3.26 crores) and Rs. Nil (March 31, 2016 - Rs Nil; April 1, 2015 - Rs. Nil) respectively.

#### 49. Transition to Ind AS - Principle and reconciliation

These financial statements for the year ended March 31, 2017, are the Company's first annual financial statements prepared in accordance with Ind AS. The accounting policies set out in note 1.3 have been applied in preparing the financial statements for the year ended March 31, 2017, comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet as at April 1, 2015 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted/reclassified the amounts reported previously in financial statements prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act 2013 (The Act) and other relevant provisions of the Act (Previous GAAP) to comply with Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following notes.

#### Exemptions on first time adoption of Ind AS 101:-

##### (i) Property, plant and equipment, intangible assets and investment property at deemed cost

The Company has opted to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value and use that carrying value as its deemed cost.

##### (ii) Investment in equity shares of subsidiaries and joint venture at deemed cost

The Company has opted to measure its investment in subsidiaries and joint venture at their previous GAAP carrying value in separate financial statement and use that carrying value as deemed cost.

##### (iii) Business combinations

The Company has opted to apply Ind AS 103 'Business combination' prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

##### (iv) Compound financial instruments

As per Ind AS 101, the Group has opted to split compound financial instrument into separate equity and liability component which were outstanding at the date of transition.

Reconciliation of equity as at March 31, 2016 and April 1, 2015:

Particulars	Note	Rs. Crores	
		As at March 31, 2016	As at April 1, 2015
<b>Equity reported under previous GAAP</b>		2,144.92	1,857.06
a. Add/(less):			
Impact of hedge and derivative accounting under Ind AS 109 'Financial instruments'	i	(1.16)	0.54
Processing fee on loans accounted using effective interest rate	ii	1.34	0.27
Interest income on measurement of loan at amortized cost	iii	1.89	-
Amortization of premium on leasehold land	iv	(5.31)	(4.85)

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

Particulars	Note	Rs. Crores	
		As at March 31, 2016	As at April 1, 2015
Assets held for sale recognised at fair value	v	(21.94)	(20.72)
Deferred tax adjustment of GAAP adjustments	vi	7.70	6.92
Proposed dividend on equity shares and dividend tax thereon	vii	15.64	7.82
Shares held by trust under ESPS scheme classified to other equity (net of dividend on shares held by Trust)	viii	(6.09)	(8.81)
Net Impact of Ind AS adjustment		(7.93)	(18.83)
<b>Equity as reported under Ind-AS</b>		<b>2,136.99</b>	<b>1,838.23</b>

## Notes:

The major reasons for adjustments in Previous GAAP numbers are as under:

**(i) Forward exchange contracts/derivative instruments**

The Company has adopted hedge accounting prospectively from transition date as per Ind AS 109. Consequently, the Company has fair valued all derivatives (including forward contracts) on transition date and difference between the fair value of such contracts and previous GAAP carrying amount have been recognised in the retained earnings in the opening Ind AS balance sheet.

**(ii) Borrowings**

Under previous GAAP, transaction costs incurred in connection with borrowings were charged to profit or loss as and when incurred. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in profit or loss over the tenure of the borrowings as part of interest expense using effective interest rate method.

**(iii) Interest income on loan measured at amortized cost**

Under previous GAAP, the loan given by the Company were carried at book value. However, under Ind AS, these loans are required to be measured initially at fair value on the date of transition and subsequently at amortized cost. Accordingly, interest income is recognised on measurement of loan at amortised cost.

**(iv) Leasehold land**

Under previous GAAP, the leasehold land was considered as part of fixed asset. As per Ind AS-17 leasehold land has now been considered as operating lease and the premium paid on leasehold land is amortized over the period of the lease. The proportionate unamortized amount upto the date of transition is adjusted against retained earnings in the opening Ind AS balance sheet.

**(v) Non-current assets held for sale**

Under previous GAAP, non-current asset held for sale were valued at lower of cost or net realisable value considering all the asset as one disposal group and were shown under 'other current assets'. As per Ind AS - 105, these assets are measured at lower of cost or fair value on individual asset basis.

**(vi) Deferred tax**

Deferred tax on account of Ind AS adjustments on transition date are recognised in the retained earnings in the opening Ind AS balance sheet.

**(vii) Proposed dividend on equity shares and dividend tax thereon**

Under previous GAAP, dividend proposed by the Board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events and accordingly it was recognised as provision in the books of account. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the annual general meeting. Accordingly, proposed dividend earlier recognised in the same financial year is reversed and recognised in the year of approval by the shareholders in the annual general meeting.

**(viii) Shares held by Trust under ESPS scheme**

The Company has given loan to a trust formed for the implementation of Employee Stock Purchase Scheme of the Company. The shares purchased out of the loan and remaining ungranted to employees under ESPS scheme is shown as part of 'Other equity'.

**(ix) Actuarial gains/losses on defined benefit obligation**

The Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the actuarial gains and losses on gratuity are charged to the statement of profit and loss. Under Ind AS, such actuarial gains or losses are required to be recognised in other comprehensive income. Accordingly, actuarial losses for financial year 2015-16 amounting to Rs 2.55 crores are re-classified from statement of profit and loss to 'other comprehensive income'. There is no impact on total equity as a result of this adjustment.

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## Adjustments to the statement of cash flows .

The transition from Indian GAAP to Ind-AS had no significant impact on cash flows generated by the company.

## 49.1 First time adoption of Ind AS

### Reconciliation of balance sheet

Rs. Crores

First-time Ind AS adoption reconciliation	As at March 31, 2016			As at April 1, 2015 (Date of transition)		
	Previous GAAP *	Effect of transition to Ind AS	Ind AS	Previous GAAP*	Effect of transition to Ind AS	Ind AS
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, Plant and equipment	1,333.26	(24.30)	1,308.96	1,342.26	(24.30)	1,317.96
Capital work -in- progress	326.14	(0.84)	325.30	27.85	-	27.85
Investment property	-	6.88	6.88	-	6.98	6.98
Intangible assets	26.70	-	26.70	3.87	-	3.87
Intangible assets under development	0.03	-	0.03	2.70	-	2.70
Financial assets						
Investments	80.52	11.45	91.97	44.68	11.45	56.13
Trade receivables	2.41	-	2.41	2.73	-	2.73
Loans	176.48	(51.58)	124.90	172.52	(49.46)	123.06
Other financial assets	3.46	36.41	39.87	8.58	32.69	41.27
Deferred tax assets (net)	0.59	7.70	8.29	-	-	-
Other non-current assets	89.82	15.54	105.36	39.57	15.95	55.52
<b>Total non-current assets</b>	<b>2,039.41</b>	<b>1.26</b>	<b>2,040.67</b>	<b>1,644.76</b>	<b>(6.69)</b>	<b>1,638.07</b>
<b>Current assets</b>						
Inventories	1,277.58	(0.03)	1,277.55	1,079.80	-	1,079.80
Financial assets						
Trade receivables	1,255.00	(0.06)	1,254.94	1,007.39	(0.14)	1,007.25
Cash and cash equivalents	24.63	-	24.63	74.06	-	74.06
Bank balances other than cash and cash equivalents	6.01	-	6.01	9.38	-	9.38
Loans	62.28	(25.95)	36.33	57.88	(31.43)	26.45
Other financial assets	27.33	42.07	69.40	23.27	38.23	61.50
Current tax assets (net)	6.43	-	6.43	16.61	-	16.61
Other current assets	180.51	(1.77)	178.74	184.02	(1.71)	182.31
<b>Total current assets</b>	<b>2,839.77</b>	<b>14.26</b>	<b>2,854.03</b>	<b>2,452.41</b>	<b>4.95</b>	<b>2,457.36</b>
Assets classified as held for sale	126.37	(21.92)	104.45	147.29	(20.71)	126.58
<b>Total assets</b>	<b>5,005.55</b>	<b>(6.40)</b>	<b>4,999.15</b>	<b>4,244.46</b>	<b>(22.45)</b>	<b>4,222.01</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity Share capital	32.64	-	32.64	32.64	-	32.64
Other equity	2,112.28	(7.93)	2,104.35	1,824.42	(18.83)	1,805.59
<b>Total equity</b>	<b>2,144.92</b>	<b>(7.93)</b>	<b>2,136.99</b>	<b>1,857.06</b>	<b>(18.83)</b>	<b>1,838.23</b>



# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

Rs. Crores

First-time Ind AS adoption reconciliation	As at March 31, 2016			As at April 1, 2015 (Date of transition)		
	Previous GAAP *	Effect of transition to Ind AS	Ind AS	Previous GAAP*	Effect of transition to Ind AS	Ind AS
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
Financial Liabilities						
Borrowings	258.62	(1.47)	257.15	300.69	(0.27)	300.42
Other financial liabilities	6.27	-	6.27	7.47	-	7.47
Provisions	164.68	-	164.68	146.60	-	146.60
Deferred tax liabilities (net)	-	-	-	27.67	(6.92)	20.75
Other non-current liabilities	33.19	(32.19)	1.00	29.00	(28.98)	0.02
<b>Total non-current liabilities</b>	<b>462.76</b>	<b>(33.66)</b>	<b>429.10</b>	<b>511.43</b>	<b>(36.17)</b>	<b>475.26</b>
<b>Current liabilities</b>						
Financial Liabilities						
Borrowings	723.34	-	723.34	324.20	-	324.20
Trade payables	1,148.29	(21.42)	1,126.87	1,075.77	0.75	1,076.52
Other financial liabilities	180.57	72.12	252.69	160.34	39.62	199.96
Provisions	44.27	(15.64)	28.63	34.11	(7.82)	26.29
Other current liabilities	298.28	0.13	298.41	278.94	-	278.94
<b>Total current liabilities</b>	<b>2,394.75</b>	<b>35.19</b>	<b>2,429.94</b>	<b>1,873.36</b>	<b>32.55</b>	<b>1,905.91</b>
Liabilities associated with assets classified as held for sale	3.12	-	3.12	2.61	-	2.61
<b>Total equity and liabilities</b>	<b>5,005.55</b>	<b>(6.40)</b>	<b>4,999.15</b>	<b>4,244.46</b>	<b>(22.45)</b>	<b>4,222.01</b>

\* The previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## 49.2 First time adoption of Ind AS

### Reconciliation of total comprehensive income

Rs. Crores

	As at March 31, 2016		
	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Revenue from operations	5,984.96	(0.05)	5,984.91
Other income	52.07	3.87	55.94
<b>Total income</b>	<b>6,037.03</b>	<b>3.82</b>	<b>6,040.85</b>
<b>Expenses</b>			
Cost of materials consumed	1,718.29	(0.09)	1,718.20
Purchases of stock-in-trade	1,884.01	4.65	1,888.66
Change in inventories of finished goods, stock-in-trade and work-in-progress	(210.43)	0.03	(210.40)
Employee benefits expense	463.04	(2.32)	460.72
Excise duty	249.52	-	249.52
Finance costs	85.15	(0.28)	84.87
Depreciation and amortization expense	94.90	-	94.90
Other expenses	1,340.65	(1.35)	1,339.30
<b>Total Expenses</b>	<b>5,625.13</b>	<b>0.64</b>	<b>5,625.77</b>

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

	Rs. Crores		
	As at March 31, 2016		
	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Profit before tax	411.90	3.18	415.08
<b>Tax expense</b>			
-Current tax	64.46	-	64.46
- Deferred tax	(2.82)	0.45	(2.37)
- Tax adjustments related to earlier years	-	-	-
<b>Profit after tax</b>	<b>350.26</b>	<b>2.73</b>	<b>352.99</b>
<b>Other Comprehensive income</b>			
Items that will not be re-classified to profit or loss	-	(2.55)	(2.55)
Income tax relating to items that will not be re-classified to profit or loss	-	0.88	0.88
Items that may be re-classified to profit or loss	-	(1.05)	(1.05)
Income tax relating to items that may be re-classified to profit or loss	-	0.36	0.36
<b>Total other comprehensive income (net of tax)</b>	<b>-</b>	<b>(2.36)</b>	<b>(2.36)</b>
<b>Total Comprehensive Income</b>	<b>350.26</b>	<b>0.37</b>	<b>350.63</b>

\* The previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## 50. Disclosure on specified bank notes (SBNs)

The details of Specified Bank Notes (SBNs) or other denomination notes (as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below:

Particulars	Rs. Crores		
	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	1.41	0.12	1.53
(+) Permitted receipts <sup>1</sup>	27.57	21.41	48.98
(-) Permitted payments	-	2.13	2.13
(-) Amount deposited in Banks	28.98	18.37	47.35
Closing cash in hand as on December 30, 2016	-	<b>1.03</b>	<b>1.03</b>

1. Permitted receipts for SBNs represents amount received from sale of fuel at petrol pumps.

## 51. Disclosures related to government grant

The government grant/government assistance recognised are as under:

Nature of Grant/assistance	Income/Expense head	Rs. Crores	
		This year	Previous year
Cane subsidy by Govt of U.P. for cane crush for sugar season 2014-15	Cost of material consumed	-	85.54
Production subsidy on cane crushed for sugar season 2015-16	Cost of material consumed	<b>12.69</b>	-
Benefit of loan at concessional rate of interest	Finance cost	<b>4.08</b>	4.55

# Notes to the Standalone Financial Statements For The Year Ended March 31, 2017

## 52. Details of pre-operative expenses pending allocation included under capital work-in-progress in note 2.1 is as under:

Particulars	Rs. Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Finance cost	14.09	6.14	-
Salaries, wages etc	1.18	1.74	-
Raw material consumption	2.24	-	-
Insurance	0.01	0.65	-
Power, fuel etc	0.19	0.18	-
Miscellaneous expenses	2.20	2.46	-
	19.91	11.17	-
Add: Brought forward from previous year	11.17	7.97	7.97
<b>Total</b>	<b>31.08</b>	<b>19.14</b>	<b>7.97</b>
Less: Capitalised during the year	(30.41)	-	-
Written off during the year	-	(7.97)	-
Transferred to capital work-in-progress	0.67	11.17	7.97

## 53. Proposed dividend

The Board of Directors, in its meeting held on May 1, 2017, have recommended a final dividend of Rs. 0.80 per equity share of Rs. 2/- each aggregating to Rs. 15.64 crores (including corporate dividend tax) for the financial year ended March 31, 2017. The recommendation is subject to the approval of shareholders at the Annual General Meeting to be held on August 1, 2017.

The Board of Directors, in its meeting held on May 10, 2016, recommended a final dividend of Rs. 0.40 per equity share of Rs. 2/- each for the financial year ended March 31, 2016 and the same was approved by the shareholders at the Annual General Meeting held on August 9, 2016. This resulted in outflow of Rs. 7.82 crores (including corporate dividend tax).

## 54. Particulars of sales

Description	Rs. Crores	
	Sales	
	2016-17	2015-16
Urea	744.35	796.12
PVC resins	431.03	413.46
Caustic soda	1,019.73	756.53
Chlorine	(63.14)	8.37
Marketable Calcium carbide	116.16	110.89
D.A.P.	(1.20)	552.04
M.O.P.	(2.03)	141.31
Super Phosphate	446.90	517.98
Cement	160.61	153.81
Sugar	1,375.22	787.98
Molasses	76.57	62.25
UPVC Windows	280.96	234.45
Power Sale	89.03	54.16
Petrol / Diesel	348.19	369.43
Other sales/stocks and adjustments	1,008.89	982.35
<b>Total</b>	<b>6,031.26</b>	<b>5,941.11</b>

For and on behalf of the Board of Directors

Sameet Gambhir  
Company Secretary

J.K. Jain  
Chief Financial Officer

Pradeep Dinodia  
Director  
DIN: 00027995

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

New Delhi  
May 1, 2017

# Independent Auditor's Report

## TO THE MEMBERS OF DCM SHRIRAM LIMITED

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **DCM SHRIRAM LIMITED** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its joint venture, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

### Auditor's Responsibility

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

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

financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

### 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 reports of the other auditors on separate financial statements of the subsidiaries and joint venture referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### Other Matters

We did not audit the financial statements of subsidiaries viz. DCM Shriram Credit and Investments Limited, Bioseed India Limited, DCM Shriram Infrastructure Limited, Hariyali Rural Ventures Limited, DCM Shriram Aqua Foods Limited, Bioseeds Limited, Bioseed Vietnam Limited, Bioseed Holdings PTE Limited, Bioseed Research Philippines Inc., Shriram Bioseed (Thailand) Limited, Shriram Bioseed Ventures Limited, Fenesta India Limited, Shri Ganpati Fertilizers Limited, Bioseed Research USA Inc., PT Shriram Seed Indonesia and PT Shriram Genetics Indonesia whose financial statements reflect total assets of Rs. 749.05 crores (total assets net of elimination is Rs. 234.19 crores) as at March 31, 2017, total revenues of Rs. 194.88 crores and net cash inflows amounting to Rs. 5.92 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Parent's share of net profit of Rs. 0.03 crore for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of joint venture viz. Shriram Axiall Private Limited, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far

as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors.

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and the other financial information of subsidiaries and joint venture incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies and its joint venture incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's/ subsidiary company's / joint venture incorporated in India for internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture.
- (ii) The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent, its subsidiary companies and joint venture incorporated in India.
- (iv) The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us (and other auditors) by the Management of the respective Group entities.

**For Deloitte Haskins & Sells**

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

**Vijay Agarwal**

(Partner)

(Membership No. 094468)

Place : New Delhi

Date : May 1, 2017

### ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **DCM SHRIRAM LIMITED** (hereinafter referred to as "Parent") and its subsidiary companies and its joint venture, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its joint venture, which are companies incorporated in India.

### Meaning of Internal Financial Controls Over Financial Reporting

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

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to eight subsidiary companies and one joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 015125N)  
**Vijay Agarwal**  
(Partner)  
(Membership No. 094468)

Place : New Delhi  
Date : May 1, 2017



# Consolidated Balance Sheet As At March 31, 2017

	Note	As at March 31, 2017 Rs. Crores	As at March 31, 2016 Rs. Crores	As at April 1, 2015 Rs. Crores
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2.1	1,915.57	1,328.79	1,338.12
Capital work -in- progress	2.1	60.28	357.16	58.79
Investment property	2.2	7.06	7.18	7.28
Goodwill	2.3	70.55	71.93	68.23
Other intangible assets	2.3	28.60	27.55	4.18
Intangible assets under development	2.3	4.25	0.03	2.70
<b>Financial assets</b>				
Investments				
- Investment in Joint Venture	3.1	19.97	20.06	19.40
- Other investments	3.1	10.93	8.02	8.63
Trade receivables	3.2	1.89	2.41	2.73
Loans	3.3	11.24	10.29	8.64
Other financial assets	3.4	40.12	40.78	42.34
Deferred tax assets (net)	4	80.11	14.47	4.84
Other non-current assets	5	65.98	105.47	55.94
<b>Total non-current assets</b>		<b>2,316.55</b>	<b>1,994.14</b>	<b>1,621.82</b>
<b>Current assets</b>				
Inventories	6	1,615.67	1,320.00	1,120.94
<b>Financial assets</b>				
Trade receivables	7.1	1,004.46	1,286.87	1,056.79
Cash and cash equivalents	7.2	203.71	33.76	83.97
Bank balances other than cash and cash equivalents	7.3	7.81	6.06	9.38
Loans	7.4	7.48	10.71	9.28
Other financial assets	7.5	22.58	44.20	40.73
Current tax assets (Net)	8	13.82	9.82	17.15
Other current assets	9	258.97	183.27	176.31
<b>Total current assets</b>		<b>3,134.50</b>	<b>2,894.69</b>	<b>2,514.55</b>
Assets classified as held for sale	10	122.83	118.22	144.82
<b>Total assets</b>		<b>5,573.88</b>	<b>5,007.05</b>	<b>4,281.19</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	11	32.64	32.64	32.64
Other Equity	12	2,495.09	2,058.27	1,809.23
<b>Equity attributable to shareholders of the Company</b>		<b>2,527.73</b>	<b>2,090.91</b>	<b>1,841.87</b>
Non-controlling interest		2.08	2.21	0.96
<b>Total Equity</b>		<b>2,529.81</b>	<b>2,093.12</b>	<b>1,842.83</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	13.1	472.20	257.54	300.94
Other financial liabilities	13.2	4.02	6.27	7.47
Provisions	14	183.65	164.74	146.64
Deferred tax liabilities (net)	4	-	-	19.19
Other non-current liabilities	15	0.92	1.00	0.02
<b>Total non-current liabilities</b>		<b>660.79</b>	<b>429.55</b>	<b>474.26</b>
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	16.1	508.29	727.10	329.46
Trade payables	16.2	1,175.86	1,149.19	1,113.44
Other financial liabilities	16.3	194.82	252.89	201.35
Provisions	17	40.31	28.64	26.30
Other current liabilities	18	453.91	317.72	285.63
Current tax liabilities (net)	8	1.84	1.75	2.33
<b>Total current liabilities</b>		<b>2,375.03</b>	<b>2,477.29</b>	<b>1,958.51</b>
Liabilities associated with assets classified as held for sale		8.25	7.09	5.59
<b>Total equity and liabilities</b>		<b>5,573.88</b>	<b>5,007.05</b>	<b>4,281.19</b>

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

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

For and on behalf of the Board of Directors

Vijay Agarwal  
Partner

Sameet Gambhir  
Company Secretary

J.K. Jain  
Chief Financial Officer

Pradeep Dinodia  
Director  
DIN: 00027995

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

New Delhi  
May 1, 2017

# Statement of Consolidated Profit and Loss For The Year Ended March 31, 2017

	Note	Year ended March 31, 2017 Rs. Crores	Year ended March 31, 2016 Rs. Crores
Revenue from operations	19	6,117.19	6,030.23
Other income	20	46.77	40.69
<b>Total income</b>		<b>6,163.96</b>	<b>6,070.92</b>
<b>Expenses</b>			
Cost of materials consumed		2,137.51	1,752.96
Purchases of stock-in-trade		1,146.01	1,864.60
Change in inventories of finished goods, stock-in-trade and work-in-progress	21	(240.65)	(208.24)
Excise duty on sale of goods		328.73	249.77
Employee benefits expense	22	532.59	487.66
Finance costs	23	71.43	85.41
Depreciation and amortisation expense	24	113.73	97.95
Other expenses	25	1,441.91	1,378.53
<b>Total Expenses</b>		<b>5,531.26</b>	<b>5,708.64</b>
<b>Profit before tax</b>		<b>632.70</b>	<b>362.28</b>
Tax expense			
- Current tax	26	40.16	64.56
- Deferred tax		51.26	(2.71)
- Tax adjustments related to earlier years		(11.05)	-
Total tax expense		80.37	61.85
<b>Profit after tax</b>		<b>552.33</b>	<b>300.43</b>
<b>Share of Profit of Joint Venture (net of tax)</b>		<b>0.03</b>	<b>0.71</b>
<b>Non controlling interest</b>		<b>(0.68)</b>	<b>0.61</b>
<b>Net Profit attributable to equity shareholders of the Company</b>		<b>551.68</b>	<b>301.75</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be re-classified to profit or loss			
- Remeasurements of defined benefit obligation (net)	32 (ii)	(12.84)	(2.55)
- Changes in fair value of equity instruments through other comprehensive income	12.9	2.22	(0.58)
Income tax relating to items that will not be re-classified to profit or loss		4.45	0.88
- Share of other comprehensive income in joint venture (net of tax)	12.9	(0.04)	(0.02)
(ii) Items that may be re-classified to profit or loss			
- Effective portion of gain and loss on designated portion of hedging instruments in a cash flow hedge	12.9	0.43	0.43
- Net change in fair values of time value of hedging instruments in a cash flow hedge	12.9	0.98	(1.48)
- Exchange differences in translating the financial statements of foreign operations	12.9	1.79	2.27
Income tax relating to items that may be re-classified to profit or loss		(0.49)	0.36
- Share of other comprehensive income in joint venture (net of tax)	12.9	(0.08)	(0.04)
<b>Total Other comprehensive income (net of tax)</b>		<b>(3.58)</b>	<b>(0.73)</b>
<b>Total Comprehensive income</b>		<b>548.10</b>	<b>301.02</b>
Attributable to:			
- Owners of the company		548.78	300.41
- Non-controlling interest		(0.68)	0.61
<b>Earnings per equity share-basic/diluted (Rs.)</b>	27	<b>33.97</b>	<b>18.58</b>

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

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

For and on behalf of the Board of Directors

Vijay Agarwal  
Partner

Sameet Gambhir  
Company Secretary

J.K. Jain  
Chief Financial Officer

Pradeep Dinodia  
Director  
DIN: 00027995

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

New Delhi  
May 1, 2017

# Statement of Consolidated Changes In Equity For The Year Ended March 31, 2017

	Equity Share Capital	Other Equity												Total Other Equity	Non-controlling interest	Total
		Reserves and Surplus							Other comprehensive income							
		Securities premium reserve	Capital redemption reserves	Storage fund for molasses account	General Reserve	Surplus in Statement of profit and loss	Statutory Reserve	Capital Reserve	Shares held by Trust under ESPS Scheme	Cash flow hedging reserve	Cost of hedging reserve	Equity instruments through OCI	Exchange differences on translating the financial statements of foreign operations			
<b>As at April 1, 2015</b>	<b>32.64</b>	<b>34.98</b>	<b>9.11</b>	<b>1.16</b>	<b>830.94</b>	<b>902.32</b>	<b>0.79</b>	<b>37.62</b>	<b>(10.43)</b>	<b>-</b>	<b>-</b>	<b>2.74</b>	<b>-</b>	<b>1,809.23</b>	<b>0.96</b>	<b>1,842.83</b>
Profit for the year	-	-	-	-	-	301.75	-	-	-	-	-	-	-	301.75	0.61	302.36
Fair value movements of equity instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	(0.58)	-	(0.58)	-	(0.58)
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	2.27	2.27	0.64	2.91
Movements related to employees stock purchase scheme	-	-	-	-	0.16	-	-	-	-	-	-	-	-	0.16	-	0.16
Dividend on shares held by ESPS trust	-	-	-	-	-	0.46	-	-	-	-	-	-	-	0.46	-	0.46
Dividends on equity shares	-	-	-	-	-	(45.48)	-	-	-	-	-	-	-	(45.48)	-	(45.48)
Corporate dividend tax	-	-	-	-	-	(9.26)	-	-	-	-	-	-	-	(9.26)	-	(9.26)
Shares granted to employees under ESPS	-	-	-	-	-	-	-	-	2.14	-	-	-	-	2.14	-	2.14
Transfer to/(from) storage fund for molasses	-	-	-	0.17	-	(0.17)	-	-	-	-	-	-	-	-	-	-
Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	(1.69)	-	-	-	-	-	-	-	(1.69)	-	(1.69)
Effective portion of gain and losses on designated portion of hedging instruments in a cash flow hedge (net of tax)	-	-	-	-	-	-	-	-	-	0.25	(0.98)	-	-	(0.73)	-	(0.73)
<b>As at March 31, 2016</b>	<b>32.64</b>	<b>34.98</b>	<b>9.11</b>	<b>1.33</b>	<b>831.10</b>	<b>1,147.93</b>	<b>0.79</b>	<b>37.62</b>	<b>(6.29)</b>	<b>0.25</b>	<b>(0.98)</b>	<b>2.16</b>	<b>2.27</b>	<b>2,058.27</b>	<b>2.21</b>	<b>2,093.12</b>
Profit for the year	-	-	-	-	-	551.68	-	-	-	-	-	-	-	551.68	(0.68)	551.00
Fair value movements of equity instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	2.22	-	2.22	-	2.22
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	1.79	1.79	0.55	2.34
Movements related to employees stock purchase scheme	-	-	-	-	0.47	-	-	-	-	-	-	-	-	0.47	-	0.47
Dividend on shares held by ESPS trust	-	-	-	-	-	1.29	-	-	-	-	-	-	-	1.29	-	1.29
Dividend on equity shares	-	-	-	-	-	(94.19)	-	-	-	-	-	-	-	(94.19)	-	(94.19)
Corporate dividend tax	-	-	-	-	-	(19.18)	-	-	-	-	-	-	-	(19.18)	-	(19.18)
Shares granted to employees under ESPS	-	-	-	-	-	-	-	-	0.33	-	-	-	-	0.33	-	0.33
Transfer to/(from) storage fund for molasses	-	-	-	(0.25)	-	0.25	-	-	-	-	-	-	-	-	-	-
Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	(8.43)	-	-	-	-	-	-	-	(8.43)	-	(8.43)
Effective portion of gain and losses on designated portion of hedging instruments in a cash flow hedge (net of tax)	-	-	-	-	-	-	-	-	-	0.19	0.65	-	-	0.84	-	0.84
<b>As at March 31, 2017</b>	<b>32.64</b>	<b>34.98</b>	<b>9.11</b>	<b>1.08</b>	<b>831.57</b>	<b>1,579.35</b>	<b>0.79</b>	<b>37.62</b>	<b>(7.96)</b>	<b>0.44</b>	<b>(0.33)</b>	<b>4.38</b>	<b>4.06</b>	<b>2,495.09</b>	<b>2.08</b>	<b>2,529.81</b>

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

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

For and on behalf of the Board of Directors

Vijay Agarwal  
Partner

Sameet Gambhir  
Company Secretary

J.K. Jain  
Chief Financial Officer

Pradeep Dinodia  
Director  
DIN: 00027995

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

New Delhi  
May 1, 2017

# Consolidated Cash Flow Statement For The Year Ended March 31, 2017

	Year ended March 31, 2017 Rs. Crores	Year ended March 31, 2016 Rs. Crores
<b>A. Cash flow from operating activities</b>		
Net profit before tax	552.33	300.43
Adjustments for :		
Income tax expense recognized in profit of loss	80.37	61.85
Depreciation and amortization expense	113.73	97.95
Profit on sale of investments in mutual funds	(0.52)	-
(Profit) / Loss on sale/write off of Property, plant and equipment (including assets held for sale)	(3.38)	(1.08)
Provision for impairment in value of assets	8.30	14.96
Exchange differences on conversion	1.79	2.27
Finance cost	71.43	85.41
Dividend and interest income	(28.08)	(30.75)
<b>Operating profit before working capital changes</b>	<b>795.97</b>	<b>531.04</b>
Changes in operating assets and liabilities:		
Trade receivable	282.93	(229.76)
Inventories	(295.67)	(199.06)
Trade Payables	26.67	35.75
Other financial assets	34.71	(9.28)
Other current/non-current assets	(72.22)	(6.64)
Provisions	17.68	17.87
Other financial liabilities	(7.00)	10.39
Other current/non-current liabilities	136.11	33.07
<b>Cash generated from operations</b>	<b>919.18</b>	<b>183.38</b>
Income taxes (paid)	(146.70)	(83.16)
<b>Net cash from operating activities</b>	<b>772.48</b>	<b>100.22</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(459.14)	(350.61)
Purchase of other intangible assets	(11.25)	(19.51)
Fixed deposits and current account balances with banks (Earmarked)	(5.80)	(0.91)
Purchase of investments	(0.70)	-
Sale of property, plant and equipment	3.90	1.86
Proceeds from asset held for sale	16.32	12.80
Liabilities associated with assets held for disposal	1.16	1.50
Loan to employees	2.28	(3.08)
Interest received	24.52	27.06
Dividend and profit on sale of investments	3.16	4.90
<b>Net cash from / (used) in investing activities</b>	<b>(425.55)</b>	<b>(325.99)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds/(Repayment) from/of long term borrowings	228.78	(83.80)
Proceeds/(Repayment) from/of short term borrowings	(289.66)	400.17
Changes in loans repayable on demand from banks	70.85	(2.53)
Dividends paid	(94.19)	(45.48)
Corporate dividend tax paid	(19.18)	(9.26)
Finance cost paid	(67.47)	(92.82)
<b>Net cash from / (used) in financing activities</b>	<b>(170.87)</b>	<b>166.28</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>176.06</b>	<b>(59.49)</b>
Cash and cash equivalents at the beginning of the year	23.08	82.57
Cash and cash equivalents at end of the year	199.14	23.08

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

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

Cash and cash equivalents (refer note 7.2 and 7.3)	211.52	39.82
Earmarked balances (refer note 7.2 and 7.3)	(12.38)	(16.74)
Balances as per statement of cash flows	<b>199.14</b>	<b>23.08</b>

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

For and on behalf of the Board of Directors

Vijay Agarwal  
Partner

Sameet Gambhir  
Company Secretary

J.K. Jain  
Chief Financial Officer

Pradeep Dinodia  
Director  
DIN: 00027995

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

New Delhi  
May 1, 2017

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

## 1.1 Company Overview

DCM Shriram Limited ('the Company') is a public limited company incorporated in India. The Holding company, Sumant Investments Private Limited owns 60.51% of equity share capital of the Company. The registered office of the Company is at 1st Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi - 110001, India.

The consolidated financial statements are approved by Board of Directors in their board meeting dated May 1, 2017.

DCM Shriram Limited together with its subsidiaries is hereinafter referred to as "Group".

### The business portfolio of the Group comprises of:

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

The Group has presence at various parts of India and also at Philippines, Vietnam and Indonesia, and its principal places of Businesses together with major products are as under:

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

## 1.2 Basis of preparation of consolidated financial statements

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

The financial statements up to the year ended March 31, 2016 were prepared in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other

relevant provisions of the Act ('Previous GAAP'). These are Group's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer note 48 for an explanation of the transition from previous GAAP to Ind AS and the effect on the Company's financial position, financial performance and cash flows.

## 1.3 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company ('The Group'). The company controls an entity when the Company is exposed to, or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

The financial statement of subsidiaries namely DCM Shriram Foundation and Shridhar Shriram Foundation, incorporated under Section 8 of the Companies Act, 2013 are not considered for consolidation since the objective of control in these companies is not to obtain economic benefits from its activities.

Consolidation of the subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

a) The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income, expense, each component of other comprehensive income and cash flows, after fully eliminating intra-group balances, intra-group transactions and unrealized profit or losses on intra group transactions including tax adjustment thereon.
- Interest in joint venture is accounted for using the equity method. Accordingly, the investment is initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profit or losses of the investee in profit and loss, and Company's share of other comprehensive income of the investee in other comprehensive income.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- Non-controlling interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the date of investments.
- The excess of the cost of the Company of its investments in subsidiary company over the Company's portion of the equity of the subsidiary at the date on which investments were made is recognized in the consolidated financial statements as goodwill and is tested for impairment. However, where the

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

share of equity in the subsidiary company as on the date of investment is in excess of cost of investments, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

- b) The Companies considered in Consolidated Financial Statements are given in note 54.

## 1.4 Significant accounting policies

### a) Property, Plant and Equipment

#### Owned Assets

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

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

Depreciation on all tangible assets is provided on the basis of estimated useful life and residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc., as given below:

- (i) Estimated useful lives:

Asset	Useful life
Buildings	29-58 years
Leasehold improvements	5-10 Years
Plant and equipment used in generation, transmission and distribution of power	25-40 years
Plant and equipment (other than used in generation, transmission and distribution of power)	3-40 years
Furniture and fixtures	8-10 Years
Office equipment	5 Years
Vehicles	8-10 Years

- (ii) Estimated residual value:

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

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

### Assets taken on Finance lease

Assets taken on finance lease are stated at the lower of the fair value of the lease assets or the present value of the minimum lease payments at the inception of the lease.

In respect of Assets taken on finance lease, when there is reasonable certainty that the Group will obtain ownership by the end of the lease term, depreciation is provided in accordance with the policy followed by the Group for owned assets.

### b) Intangible assets

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

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

Technical know-how and Brand	10 years
Softwares	5 years

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

### c) Investment property

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

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

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

### d) Non-current asset held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount (cost less accumulated depreciation, if any) and fair value less costs to sell.

### e) Inventories

Inventories are valued at lower of cost and 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 - Weighted average rate.  
and stock-in-trade



# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

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 and net realisable value, whichever is lower.

By-products are valued at estimated net realisable value

## f) Revenue recognition

- (i) Sales are recognized, at values as per agreements, net of returns, trade discounts and volume discounts, if any, on transfer of significant risks and rewards of ownership/effective Control to the buyer, which generally coincides with dispatch to customers. Sales include excise duty but exclude sales tax and value added tax.
- (ii) Under the retention pricing scheme, the Government of India reimburses to the fertilizer industry, the difference between the retention price based on the cost of production and selling price (as realized from the farmers) as fixed by the Government from time to time, in the form of subsidy. The effect of variation in input costs/expenses on retention price yet to be notified is accounted for by the company as income for the year based on its ultimate collection with reasonable degree of certainty at the time of accrual.

## g) Government grants

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

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

Grants are presented as part of income in the statement of profit and loss; alternatively they are deducted in reporting the related expense. The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on the prevailing market interest rates.

## h) Employee benefits

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

Government, and such liability is recognized in the year of shortfall.

## (ii) Defined benefit plans

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

## (iii) Compensated absences

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

## (iv) Share based payments

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

## i) Foreign currency transactions

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

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

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

The results and financial position of Group's foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as under:

- Assets and liabilities are translated at the closing exchange rate at the end of each reporting period.
- Income and expenses are translated at average exchange rates, and

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

- All resulting exchange differences are recognized in other comprehensive income.

Exchange differences on monetary items receivable from or payable to subsidiaries having foreign operations for which settlement is neither planned nor likely to occur are recognized in other comprehensive income and are reclassified from equity to profit or loss on repayment of monetary items.

## j) Financial instruments

### Initial Recognition:

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

### Subsequent measurement:

#### A. Non-derivative financial instruments

- Financial assets carried at amortised cost** : A financial asset is subsequently measured at amortised cost if it is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets carried at fair value through other comprehensive income (FVTOCI)** : The Company has made an irrevocable election for its investments which are classified as equity instruments (Other than Investment in Subsidiaries and Joint Venture) to present the subsequent changes in fair value in other comprehensive income.
- Investment in subsidiaries and Joint Venture:** Investment in subsidiaries and joint venture is carried at cost less impairment, if any.
- Financial assets carried at fair value through profit or loss (FVTPL):** A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.
- Financial liabilities:** Financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### B. Derivative financial instruments:

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

- Cash flow hedge:** The effective portion of changes in the fair value of the hedging instruments is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Such amounts are reclassified in to the statement of profit or loss when the related hedge items affect profit or loss.

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

- Fair Value Hedge:** Changes in fair value of derivatives including forward exchange contracts that qualify as fair value hedge are recognized in profit or loss.
- Financial instruments at fair value through profit or loss:** This category has derivative financial instruments which are not designated as hedges.

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

#### Derecognition of financial instruments

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

#### k) Impairment

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

- Non-financial assets:**

#### Tangible and intangible assets

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

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

impairment loss is recognised in the statement of profit or loss. The Company review/assess at each reporting date if there is any indication that an asset may be impaired.

## **l) Income taxes**

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

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

## **m) Use of estimates**

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

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

The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting

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

- (i) Useful lives and residual value of property, plant and equipment, intangible assets and Investment Properties:** Useful life and residual value are determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc and same is reviewed at each financial year end.
- (ii) Impairment of investments:** The Group has reviewed its carrying value of long term investments in equity shares of subsidiaries and other companies carried at cost at the end of each reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- (iii) Deferred tax assets:** The Group has reviewed the carrying amount of deferred tax assets including MAT credit at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
- (iv) Revenue Recognition:**
  - a) Provision of Sales Returns and Discounts:** Provision for Sales Returns and Discounts are estimated based on past experience, market conditions and announced schemes.
  - b) Claims from 'Fertiliser Industry Coordination Committee' (FICC), Government of India:** The Company takes revenue credits for urea subsidy claims, which are pending notification/ final acceptance by 'Fertiliser Industry Coordination Committee' (FICC), Government of India, in pursuance of the Retention Price Scheme administered for nitrogenous fertilisers, when as per judgment of the Company, there is reasonable certainty based on policy and past experience that claims will be notified in due course (also refer note 29).

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

## 2.1 Property, plant and equipment

	Rs. Crores								
	Freehold Land	Buildings	Leasehold Improvements	Plant and Equipments	Furniture and Fixtures	Office Equipments	Vehicles	Vehicle on finance lease	Total
<b>Gross Carrying amount</b>									
<b>Deemed cost as at April 1, 2015</b>	76.48	174.01	7.82	1,044.09	5.56	5.67	24.00	0.49	1,338.12
Additions	0.84	13.58	0.14	57.16	1.11	3.06	11.90	-	87.79
Disposals	-	-	-	(1.80)	(0.02)	(0.10)	(2.14)	(0.21)	(4.27)
Translation difference	-	0.07	-	0.38	0.03	0.18	0.03	0.05	0.74
<b>Balance at March 31, 2016</b>	<b>77.32</b>	<b>187.66</b>	<b>7.96</b>	<b>1,099.83</b>	<b>6.68</b>	<b>8.81</b>	<b>33.79</b>	<b>0.33</b>	<b>1,422.38</b>
Additions	0.51	33.21	0.06	662.75	0.89	3.70	21.26	0.18	722.56
Disposals	(0.04)	(0.01)	-	(56.20)	(0.16)	(0.28)	(3.75)	(0.09)	(60.53)
Reclassified as asset held for sale	(23.69)	-	-	(1.83)	-	-	-	-	(25.52)
Translation difference	-	(0.23)	-	(0.73)	(0.05)	(0.12)	(0.17)	(0.19)	(1.49)
<b>Balance as at March 31, 2017</b>	<b>54.10</b>	<b>220.63</b>	<b>8.02</b>	<b>1,703.82</b>	<b>7.36</b>	<b>12.11</b>	<b>51.13</b>	<b>0.23</b>	<b>2,057.40</b>
<b>Accumulated Depreciation</b>									
As at April 1, 2015	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	8.58	1.24	71.39	1.70	3.14	9.07	0.22	95.34
Disposals	-	-	-	(0.05)	-	(0.05)	(0.87)	(0.21)	(1.18)
Translation difference	-	0.05	-	0.17	0.09	0.01	(0.51)	(0.38)	(0.57)
<b>Balance at March 31, 2016</b>	<b>-</b>	<b>8.63</b>	<b>1.24</b>	<b>71.51</b>	<b>1.79</b>	<b>3.10</b>	<b>7.69</b>	<b>(0.37)</b>	<b>93.59</b>
Depreciation charge for the year	-	10.04	0.16	80.16	1.50	3.23	11.03	0.13	106.25
Disposals	-	-	-	(53.90)	(0.10)	(0.24)	(1.96)	(0.10)	(56.30)
Reclassified as asset held for sale	-	-	-	(0.09)	-	-	-	-	(0.09)
Translation difference	-	(0.18)	-	(0.61)	(0.14)	(0.03)	(0.30)	(0.36)	(1.62)
<b>Balance at March 31, 2017</b>	<b>-</b>	<b>18.49</b>	<b>1.40</b>	<b>97.07</b>	<b>3.05</b>	<b>6.06</b>	<b>16.46</b>	<b>(0.70)</b>	<b>141.83</b>
<b>Net carrying amount</b>									
As at March 31, 2017	<b>54.10</b>	<b>202.14</b>	<b>6.62</b>	<b>1,606.75</b>	<b>4.31</b>	<b>6.05</b>	<b>34.67</b>	<b>0.93</b>	<b>1,915.57</b>
As at March 31, 2016	77.32	179.03	6.72	1,028.32	4.89	5.71	26.10	0.70	1,328.79
As at April 1, 2015	76.48	174.01	7.82	1044.09	5.56	5.67	24.00	0.49	1,338.12
<b>Capital work in progress</b>									
(refer note 51)									
As at March 31, 2017									<b>60.28</b>
As at March 31, 2016									357.16
As at April 1, 2015									58.79

### Notes:

1. Refer note 39 for information on property, plant and equipment pledged as security.
2. Refer note 23 for information on borrowing costs capitalised during the year.
3. Refer note 28 (ii) for information on contractual commitments for acquisition of property, plant and equipment.
4. Refer note 34(b)(i) for information on property, plant and equipment where the Company is a lessor under operating lease.
5. Freehold land includes Rs. 2.26 crores (March 31, 2016 - Rs 15.31 crores; April 1, 2015 - Rs 16.79 crores) pending registration in favour of the Company.

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

## 2.2 Investment property

	Rs. Crores		
	Freehold Land	Buildings	Total
<b>Gross Carrying amount</b>			
Deemed cost as at April 1, 2015	1.71	5.57	7.28
Balance at March 31, 2016	1.71	5.57	7.28
<b>Balance as at March 31, 2017</b>	<b>1.71</b>	<b>5.57</b>	<b>7.28</b>
<b>Accumulated Depreciation</b>			
As at April 1, 2015	-	-	-
Depreciation charge for the year	-	0.10	0.10
<b>Balance at March 31, 2016</b>	<b>-</b>	<b>0.10</b>	<b>0.10</b>
Depreciation charge for the year	-	0.12	0.12
<b>Balance at March 31, 2017</b>	<b>-</b>	<b>0.22</b>	<b>0.22</b>
<b>Net carrying amount</b>			
As at March 31, 2017	<b>1.71</b>	<b>5.35</b>	<b>7.06</b>
As at March 31, 2016	1.71	5.47	7.18
As at April 1, 2015	1.71	5.57	7.28

Refer note 33 for other information relating to investment property

## 2.3 Intangible assets

	Rs. Crores			
	Technical Know how	Software	Total	Goodwill
<b>Gross carrying amount</b>				
Deemed cost as at April 1, 2015	0.52	3.66	4.18	68.23
Additions	-	25.88	25.88	-
Translation difference	-	-	-	3.70
<b>Balance at March 31, 2016</b>	<b>0.52</b>	<b>29.54</b>	<b>30.06</b>	<b>71.93</b>
Additions	-	8.41	8.41	-
Translation difference	-	-	-	(1.38)
<b>Balance as at March 31, 2017</b>	<b>0.52</b>	<b>37.95</b>	<b>38.47</b>	<b>70.55</b>
<b>Accumulated amortization</b>				
As at April 1, 2015	-	-	-	-
Amortization for the year	0.52	1.99	2.51	-
<b>Balance at March 31, 2016</b>	<b>0.52</b>	<b>1.99</b>	<b>2.51</b>	<b>-</b>
Amortization for the year	-	7.36	7.36	-
<b>Balance as at March 31, 2017</b>	<b>0.52</b>	<b>9.35</b>	<b>9.87</b>	<b>-</b>
<b>Net carrying amount</b>				
As at March 31, 2017	-	<b>28.60</b>	<b>28.60</b>	<b>70.55</b>
As at March 31, 2016	-	27.55	27.55	71.93
As at April 1, 2015	0.52	3.66	4.18	68.23
<b>Intangible assets under development</b>				
As at March 31, 2017			<b>4.25</b>	
As at March 31, 2016			0.03	
As at April 1, 2015			2.70	

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

	As at March 31, 2017 Rs. Crores	As at March 31, 2016 Rs. Crores	As at April 1, 2015 Rs. Crores
<b>3. NON-CURRENT FINANCIAL ASSETS</b>			
<b>3.1 Non-current investments</b>			
<b>(a) Investment in Joint Venture (using equity method of accounting)</b>			
<b>Unquoted</b>			
17,32,500 (March 31, 2016 ; 17,32,500, April 1, 2015 ; 17,32,500)	19.97	20.06	19.40
Equity shares of Shriram Axiall Private Limited of Rs. 10/- each fully paid up	19.97	20.06	19.40
<b>(b) Other than Joint Venture</b>			
<b>(i) Investment in Equity Instruments - Subsidiaries (at cost)</b>			
<b>Unquoted</b>			
10,000 (March 31, 2016: 10,000 ; April 1, 2015: 10,000) Equity shares of DCM Shriram Foundation of Rs. 10/- each fully paid up	0.01	0.01	0.01
50,000 (March 31, 2016: 50,000 ; April 1, 2015: 50,000) Equity shares of Shridhar Shriram Foundation of Rs. 10/- each fully paid up	0.05	0.05	0.05
	0.06	0.06	0.06
<b>- Other than subsidiaries (at fair value through other comprehensive income)</b>			
<b>Quoted</b>			
1,40,000 (March 31, 2016: 1,40,000 ; April 1, 2015: 1,40,000) Equity shares of IFCI Limited of Rs.10/- each fully paid up	0.42	0.34	0.47
5,400 (March 31, 2016: 5,400 ; April 1, 2015: 5,400) Master Gains 92 of Unit Trust of India of Rs. 10/-each fully paid up	0.04	0.04	0.04
296,795 (March 31, 2016: 296,795 ; April 1, 2015: 296,795) Equity shares of Bank of Baroda of Rs. 2/-each fully paid up	5.13	4.36	4.85
20,108 (March 31, 2016: 20,108 ; April 1, 2015: 20,108) Equity shares of Gujarat State Petronet Limited of Rs. 10/- each fully paid up	0.32	0.28	0.25
17,150 (March 31, 2016: 17,150 ; April 1, 2015: 17,150) Equity shares of Punjab National Bank of Rs. 2/- each fully paid up	0.26	0.15	0.25
17,870 (March 31, 2016: 17,870 ; April 1, 2015: 17,870) Equity shares of Yes Bank Ltd of Rs 10/- each fully paid up	2.76	1.55	1.46
6,53,592 (March 31, 2016: 6,53,592 ; April 1, 2015: 6,53,592) Equity shares of NICCO Corporation Ltd of Rs. 2/-each fully paid up	0.03	0.03	0.04
	8.96	6.75	7.36
<b>Unquoted</b>			
18,61,134 (March 31, 2016: 11,32,134 ; April 1, 2015: 11,32,134) Equity shares of Narmada Clean Tech of Rs. 10/- each fully paid up	1.85	1.13	1.13
Nil (March 31, 2016: Nil ; April 1, 2015: 5,00,000) Equity shares of Forech India Ltd. of Rs. 10/- each, Rs. 4 paid up, written off	-	-	1.75 (1.75)
Nil (March 31, 2016: 3,00,000 ; April 1, 2015: 3,00,000) Equity shares of E Commodities Limited of Rs.10/- each fully paid up	0.30	0.30	0.30
Less: Written off during the year	(0.30)	-	-
Less : Provision for impairment in value of investment	-	(0.30)	(0.30)
2,00,000 (March 31, 2016: 2,00,000 ; April 1, 2015: 2,00,000) Equity shares of Ellenbarie Commercial Limited of Rs.10/- each fully paid up	1.50	1.50	1.50
Less : Provision for impairment in value of investment	(1.50)	(1.50)	(1.50)
40,000 (March 31, 2016: 40,000 ; April 1, 2015: 40,000) Equity shares of BMD Estate Private Limited of Rs.10/- each fully paid up	0.75	0.75	0.75
Less : Provision for impairment in value of investment	(0.75)	(0.75)	(0.75)
	1.85	1.13	1.13

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

	As at March 31, 2017 Rs. Crores	As at March 31, 2016 Rs. Crores	As at April 1, 2015 Rs. Crores
<b>(ii) Investment in Government securities</b>			
<b>Unquoted (at amortized cost)</b>			
National savings certificates	0.06	0.08	0.08
	<u>10.93</u>	<u>8.02</u>	<u>8.63</u>
Aggregate book value - Quoted	8.96	6.75	7.36
- Unquoted	1.97	1.27	1.27
Aggregate provision for diminution in value of investments	2.25	2.55	2.55
Summary:			
- Investments carried at cost	0.06	0.06	0.06
- Investments carried at amortized cost	0.06	0.08	0.08
- Investments at fair value through other comprehensive income	10.81	7.88	8.49
<b>3.2 Trade Receivables</b>			
Unsecured considered good	1.89	2.41	2.73
	<u>1.89</u>	<u>2.41</u>	<u>2.73</u>
<b>3.3 Loans</b>			
(unsecured Considered good, unless otherwise stated)			
Loan to employees	11.24	10.29	8.64
	<u>11.24</u>	<u>10.29</u>	<u>8.64</u>
<b>3.4 Other financial assets</b>			
Interest accrued on investments, deposits etc.	0.67	0.65	0.76
Fixed deposits with banks (earmarked)	13.08	2.92	7.97
Security Deposits <sup>(i)</sup>	26.37	37.21	33.61
	<u>40.12</u>	<u>40.78</u>	<u>42.34</u>
(i) includes given to related parties [(refer not 31(b)(i))]			
<b>4. Deferred tax assets / (liabilities) (Net)</b>			
[refer note 40(d)]			
<b>Deferred tax assets:</b>			
Provision for gratuity and compensated absences	68.08	57.82	53.38
Provision for doubtful debts and advances	11.97	5.09	5.87
Others	39.54	45.53	35.80
MAT Credit entitlement	238.95	125.27	99.92
	<u>358.54</u>	<u>233.71</u>	<u>194.97</u>
<b>Deferred tax liabilities:</b>			
Depreciation	278.43	219.24	209.32
	<u>278.43</u>	<u>219.24</u>	<u>209.32</u>
<b>Net deferred tax assets - after set off</b>	<b>80.11</b>	<b>14.47</b>	<b>4.84</b>
<b>Net deferred tax (liabilities) - after set off</b>	<b>-</b>	<b>-</b>	<b>(19.19)</b>
Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and liabilities relate to income tax levied by the same taxation authority.			
<b>5. Other non-current assets</b>			
Capital advances	20.06	56.07	6.22
Prepaid expenses	14.26	15.91	16.28
Others (including amount deposited with Government authorities)	31.66	33.49	33.44
	<u>65.98</u>	<u>105.47</u>	<u>55.94</u>



## Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

	As at March 31, 2017 Rs. Crores	As at March 31, 2016 Rs. Crores	As at April 1, 2015 Rs. Crores
<b>CURRENT ASSETS</b>			
<b>6. Inventories<sup>(i)</sup> (at lower of cost and net realisable value)</b>			
Raw materials	208.25	145.71	138.73
Work-in-progress	59.28	28.79	45.60
Finished goods	1,111.86	904.62	700.68
Stock-in-trade	104.52	104.02	81.36
Stores and spares (includes goods in transit Nil; March 31, 2016 - Rs. 22.91 crores; April 1, 2015 - Rs. Nil)	131.76	136.86	154.57
	<u>1,615.67</u>	<u>1,320.00</u>	<u>1,120.94</u>
(i) refer note 39			
<b>7. FINANCIAL ASSETS</b>			
<b>7.1 Trade Receivables<sup>(i)</sup></b>			
Outstanding for a period exceeding six months from due date for payment			
Secured - considered good	0.10	0.03	0.01
Unsecured - considered good	282.96	256.76	221.71
- considered doubtful	29.98	22.21	21.84
	<u>313.04</u>	<u>279.00</u>	<u>243.56</u>
Less: Provision for doubtful receivables	29.98	22.21	21.84
	<u>283.06</u>	<u>256.79</u>	<u>221.72</u>
Others			
Secured - considered good	1.51	1.19	0.68
Unsecured - considered good	719.89	1,028.89	834.39
	<u>1,004.46</u>	<u>1,286.87</u>	<u>1,056.79</u>
(i) includes dues from related parties [(refer note 31(b)(i))] ]			
<b>7.2 Cash and cash equivalents</b>			
Balances with banks on			
- current account	91.40	22.64	81.67
- deposit account (earmarked)	4.57	10.68	1.40
Cheques on hand	0.08	0.11	0.18
Cash on hand	0.25	0.33	0.72
Liquid investments - mutual funds	107.41	-	-
	<u>203.71</u>	<u>33.76</u>	<u>83.97</u>
<b>7.3 Bank balances other than cash and cash equivalents</b>			
Balances with banks on			
-current accounts (earmarked)	4.26	3.17	2.42
-deposit accounts (earmarked)	3.55	2.89	6.96
	<u>7.81</u>	<u>6.06</u>	<u>9.38</u>
<b>7.4 Loans</b>			
(Unsecured Considered good unless otherwise stated)			
Loan to employees	4.78	8.01	6.58
Loan to others	2.70	2.70	2.70
	<u>7.48</u>	<u>10.71</u>	<u>9.28</u>

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

	As at March 31, 2017 Rs. Crores	As at March 31, 2016 Rs. Crores	As at April 1, 2015 Rs. Crores
<b>7.5 Other financial assets</b>			
Interest accrued on loans, investment, deposits etc.	1.87	0.97	2.07
Other debts considered good	7.10	12.49	15.93
Security deposits	7.90	5.63	3.18
Derivative designated as hedge:			
- Interest rate swaps	2.03	0.07	-
- Others (Foreign currency options)	3.68	25.04	19.55
	<b>22.58</b>	<b>44.20</b>	<b>40.73</b>
<b>8. Current tax assets (net)</b>			
Advance tax	360.45	322.39	277.46
Less: Provision for current tax	(348.47)	(314.32)	(262.64)
	<b>11.98</b>	<b>8.07</b>	<b>14.82</b>
Net current tax assets - after set off	13.82	9.82	17.15
Net current tax liabilities - after set off	(1.84)	(1.75)	(2.33)
Current tax assets and current tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities.			
<b>9. Other current assets</b>			
(Unsecured Considered good unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received			
Considered good	200.67	133.40	148.00
Considered doubtful	1.42	1.44	1.98
	<b>202.09</b>	<b>134.84</b>	<b>149.98</b>
Less: Provision for doubtful advances	1.42	1.44	1.98
	<b>200.67</b>	<b>133.40</b>	<b>148.00</b>
Prepaid expenses	8.52	9.60	7.02
Balances with customs, excise etc.	28.55	35.56	12.53
Unbilled revenue	21.23	4.71	8.76
	<b>258.97</b>	<b>183.27</b>	<b>176.31</b>
<b>10. Assets classified as held for sale</b>			
Land and buildings	122.39	118.16	144.76
Plant and machinery	0.44	0.06	0.06
	<b>122.83</b>	<b>118.22</b>	<b>144.82</b>

Refer note 46 for other information relating to assets classified as held for sale.

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

	As at March 31, 2017 Rs. Crores	As at March 31, 2016 Rs. Crores	As at April 1, 2015 Rs. Crores
<b>11. Equity share capital</b>			
<b>Authorised</b>			
29,49,50,000 (March 31, 2016 - 29,49,50,000 ; April 1, 2015 - 29,49,50,000) equity shares of Rs. 2 each with voting rights	58.99	58.99	58.99
65,01,000 (March 31, 2016 - 65,01,000; April 1, 2015 - 65,01,000) Cumulative redeemable preference shares of Rs. 100 each	65.01	65.01	65.01
	<u>124.00</u>	<u>124.00</u>	<u>124.00</u>
<b>Issued</b>			
16,63,16,137 (March 31, 2016 - 16,63,16,137; April 1, 2015 - 16,63,16,137) Equity shares of Rs 2 each with voting rights	33.26	33.26	33.26
<b>Subscribed and fully paid up</b>			
16,24,16,137 (March 31, 2016 - 16,24,16,137; April 1, 2015 - 16,24,16,137) Equity shares of Rs. 2 each with voting rights, fully paid- up	32.48	32.48	32.48
Forfeited shares - Amount originally paid up	0.16	0.16	0.16
	<u>32.64</u>	<u>32.64</u>	<u>32.64</u>

Notes:

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

	No. of Shares	Value (Rs. Crores)
Subscribed and fully paid up Equity Shares:		
As at April 1, 2015	162,416,137	32.48
As at March 31, 2016	162,416,137	32.48
<b>As at March 31, 2017</b>	<b>162,416,137</b>	<b>32.48</b>

The Company had bought back/extinguished 34,87,183 equity shares of Rs 2 each during financial years 2013-14 and 2014-15

**(ii) Rights, preferences and restrictions on equity shares:**

Voting rights and dividend shall be in the proportion to the capital paid upon equity shares. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to the capital paid upon equity share after distribution of all preferential amount.

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	%	No. of shares	%	No. of share	%
<b>(iii) Shares held by the holding company:</b>						
Sumant Investments Private Limited	98,282,284	60.51%	98,282,284	60.51%	98,282,284	60.51%
<b>(iv) The shareholders holding more than 5% equity shares are as under:</b>						
Sumant Investments Private Limited	98,282,284	60.51%	98,282,284	60.51%	98,282,284	60.51%
Life Insurance Corporation of India	12,863,749	7.92%	12,863,749	7.92%	12,863,749	7.92%

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

	As at March 31, 2017 Rs. Crores	As at March 31, 2016 Rs. Crores	As at April 1, 2015 Rs. Crores
<b>12. Other Equity<sup>1</sup></b>			
12.1 General Reserve	831.57	831.10	830.94
12.2 Surplus in statement of profit and loss	1,579.35	1,147.93	902.32
12.3 Securities premium reserve	34.98	34.98	34.98
12.4 Capital reserve	37.62	37.62	37.62
12.5 Capital redemption reserve	9.11	9.11	9.11
12.6 Storage fund for molasses account	1.08	1.33	1.16
12.7 Statutory reserve	0.79	0.79	0.79
12.8 Share held by trust under Employees Stock Purchase Scheme (ESPS) <sup>2</sup>	(7.96)	(8.29)	(10.43)
12.9 Other comprehensive income			
- Cash flow hedging reserve [refer note 44.4 (b)]	0.44	0.25	-
- Cost of hedging reserve [refer note 44.4 (b)]	(0.33)	(0.98)	-
- Exchange difference on translating the financial statements of foreign operations	4.06	2.27	-
- Investments in equity instruments through OCI	4.38	2.16	2.74
	<u>2,495.09</u>	<u>2,058.27</u>	<u>1,809.23</u>
1. For movement during the year in Other equity, refer 'Statement of changes in equity'			
2. Share held by trust under ESPS represents cost of 17,23,174 (March 31, 2016 - 17,95,674; April 1, 2015 - 22,60,174) equity shares purchased and held by the Employee Benefit trust under ESPS scheme.			
<b>NON CURRENT LIABILITIES</b>			
<b>13. Financial Liabilities</b>			
<b>13.1 Long term borrowings (at amortized cost)</b>			
<b>Secured</b> (refer note 39B)			
Term loans			
From banks	316.22	197.04	96.59
From others	145.50	29.71	190.25
	<u>461.72</u>	<u>226.75</u>	<u>286.84</u>
<b>Unsecured</b>			
Deposits			
Fixed	10.22	30.40	13.58
Finance lease liability	0.26	0.39	0.52
	<u>10.48</u>	<u>30.79</u>	<u>14.10</u>
	<u>472.20</u>	<u>257.54</u>	<u>300.94</u>
<b>13.2 Other financial liabilities</b>			
Interest accrued but not due on loans and deposits	4.02	6.27	7.47
	<u>4.02</u>	<u>6.27</u>	<u>7.47</u>
<b>14. Long term provisions</b>			
Provision for employee benefits			
Gratuity (refer note 32)	95.49	83.05	76.63
Compensated absences	61.85	56.15	52.05
Other benefits	5.57	4.80	5.87
Provision for contingencies (refer note 35)	20.74	20.74	12.09
	<u>183.65</u>	<u>164.74</u>	<u>146.64</u>
<b>15. Other non-current liabilities</b>			
Security deposits	0.92	1.00	0.02
	<u>0.92</u>	<u>1.00</u>	<u>0.02</u>

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

	As at March 31, 2017 Rs. Crores	As at March 31, 2016 Rs. Crores	As at April 1, 2015 Rs. Crores
<b>CURRENT LIABILITIES</b>			
<b>16. Financial Liabilities</b>			
<b>16.1 Short-term borrowings - at amortized cost</b>			
<b>Secured</b> (refer note 39B)			
Loans repayable on demand from banks	169.59	98.74	101.27
Other loans and advances from banks	235.44	321.69	196.53
	<u>405.03</u>	<u>420.43</u>	<u>297.80</u>
<b>Unsecured</b>			
Loans repayable on demand - other than bank	2.70	2.70	2.70
Other loans from banks	100.56	303.97	28.96
	<u>103.26</u>	<u>306.67</u>	<u>31.66</u>
	<u>508.29</u>	<u>727.10</u>	<u>329.46</u>
<b>16.2 Trade payables</b>			
Total outstanding dues to micro and small enterprises (refer note 47)	0.82	1.19	3.26
Total outstanding dues to other than micro and small enterprises <sup>0</sup>	1,175.04	1,148.00	1,110.18
	<u>1,175.86</u>	<u>1,149.19</u>	<u>1,113.44</u>
(i) Includes due to related parties [(refer note 31(b)(i))]			
<b>16.3 Other financial liabilities</b>			
Current maturities of long-term debt (Secured) [refer note 39B]			
From banks	61.38	62.01	41.67
From others	10.77	17.04	77.28
Current maturities of long-term debt (Unsecured)			
From others	21.09	0.07	0.57
Current maturities of finance lease obligations	0.12	0.20	0.22
Interest accrued but not due on borrowings	11.14	4.93	5.18
Unpaid dividends	4.12	2.82	2.13
Unpaid matured deposits and interest accrued thereon	0.04	0.13	0.06
Unpaid matured debentures interest accrued thereon	-	0.21	0.21
Security deposits	34.44	32.19	28.98
Others liabilities (including capital creditors)	28.74	114.83	34.41
Derivative designated as hedge:			
- Foreign exchange forward contracts	22.98	18.46	10.24
- Interest rate swaps	-	-	0.40
	<u>194.82</u>	<u>252.89</u>	<u>201.35</u>
<b>17. Short term provisions</b>			
Provision for employee benefits			
Gratuity	20.20	14.33	14.43
Compensated absences	19.27	13.59	11.17
Other benefits	0.83	0.71	0.69
Contingent provision for standard assets	0.01	0.01	0.01
	<u>40.31</u>	<u>28.64</u>	<u>26.30</u>
<b>18. Other current liabilities</b>			
Statutory levies	185.39	123.94	95.96
Advances received from customers	266.00	182.53	189.67
Other current liabilities	2.52	11.25	-
	<u>453.91</u>	<u>317.72</u>	<u>285.63</u>

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

	Note	Year ended March 31, 2017 Rs. Crores	Year ended March 31, 2016 Rs. Crores
<b>19. Revenue from operations</b>			
<b>Revenue from sale the products</b>			
Sale of Products		6,086.40	5,983.93
		<u>6,086.40</u>	<u>5,983.93</u>
<b>Other operating revenue</b>			
Rent		0.46	0.47
Liabilities / provisions no longer required written back		1.22	25.65
Interest income		0.82	0.33
Scrap sales and other miscellaneous income		28.29	19.85
		<u>30.79</u>	<u>46.30</u>
<b>Revenue from operations</b>		<u><b>6,117.19</b></u>	<u><b>6,030.23</b></u>
<b>20. Other income</b>			
Interest income from financial assets carried at amortized cost		25.44	25.85
Dividend income on short term investments mandatorily measured at fair value through profit or loss		2.64	4.90
Rent [refer note 34(b)(ii)]		4.89	4.78
Miscellaneous income		9.90	4.08
Other gains/(losses):			
- net gain on sale of short term investments carried at fair value through profit or loss		0.52	-
- net gain on sale of property, plant and equipment (including assets held for sale)		3.38	1.08
		<u>46.77</u>	<u>40.69</u>
<b>21. Change in inventories of finished goods, stock-in-trade and work-in-progress</b>			
Closing stock		1,275.66	1,037.43
Add: - Inventory used during trial run production		2.24	-
Less: Translation difference transferred to foreign currency translation reserve		5.96	6.14
Adjusted Closing stock		<u>1,271.94</u>	<u>1,031.29</u>
Opening stock		<u>1,031.29</u>	<u>823.05</u>
		<u>(240.65)</u>	<u>(208.24)</u>
<b>22. Employee benefits expense</b>			
Salaries, wages, bonus, gratuity, commission, etc. <sup>(i)</sup>		475.52	437.70
Expense on Employee stock purchase scheme <sup>(ii)</sup>		2.46	2.43
Contribution to provident and other funds <sup>(i)</sup>		29.72	27.01
Staff welfare expenses		24.89	20.52
		<u>532.59</u>	<u>487.66</u>
(i) refer note 32			
(ii) refer note 38			
<b>23. Finance costs</b>			
Interest expense on financial liabilities measured at amortized cost		65.56	47.71
Other borrowing costs		2.60	2.56
Net loss on foreign currency transactions and translation		17.36	41.28
		<u>85.52</u>	<u>91.55</u>
Less: Amount included in the cost of qualifying assets <sup>1</sup>		14.09	6.14
		<u>71.43</u>	<u>85.41</u>
<sup>1</sup> The capitalization rate used to determine the amount of borrowing costs eligible for capitalization is 7.59% p.a. (2015 - 16: 7.94% p.a.)			
<b>24. Depreciation and amortization expense</b>			
Depreciation of property, plant and equipment	2.1	106.25	95.34
Depreciation of investment property	2.2	0.12	0.10
Amortization of intangible assets	2.3	7.36	2.51
		<u>113.73</u>	<u>97.95</u>

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

	Year ended March 31, 2017 Rs. Crores	Year ended March 31, 2016 Rs. Crores
<b>25. Other expenses</b>		
Consumption of stores and spare parts	191.66	193.42
Power, fuel etc.	777.96	676.90
Rent [refer note 34(a)(iii)]	26.20	24.75
Repairs		
Buildings	11.28	11.87
Plant and machinery	39.79	30.23
Donation <sup>1</sup>	3.45	0.12
Insurance	8.75	8.10
Rates and taxes	2.76	2.41
Auditors' remuneration		
Audit fee	1.18	1.37
Tax audit	0.16	0.14
Limited reviews	0.48	0.51
Other certification services <sup>2</sup>	0.82	1.16
Out-of-pocket expenses	0.04	0.05
Directors' fees	0.42	0.35
Bad debts and advances written off	5.24	4.25
Less: adjusted against provision for doubtful debts and advances	<u>(2.12)</u>	<u>(2.95)</u>
Provision for doubtful debts and advances	8.77	3.33
Freight and transport (net)	65.51	58.61
Commission to selling agents	7.20	5.03
Brokerage, discounts (other than trade discounts), etc.	9.07	12.12
Selling expenses	87.50	94.22
Exchange fluctuation costs	1.10	0.06
Royalty	16.20	67.10
Provision for impairment in value of assets	8.30	14.96
Increase/(decrease) in excise duty on finished goods	10.19	27.43
Corporate Social Responsibility <sup>3</sup>	6.60	5.03
Miscellaneous expenses	153.98	139.91
	<u>1,442.49</u>	<u>1,380.48</u>
Less:- Cost of own manufactured goods capitalised	<u>(0.58)</u>	<u>(1.95)</u>
	<u>1,441.91</u>	<u>1,378.53</u>
1 refer note 53		
2 includes service tax		
3 refer Note 36		
<b>26. Tax expense (refer note 40)</b>		
Current tax	142.79	89.91
Less:- MAT credit entitlement	<u>(102.63)</u>	<u>(25.35)</u>
Deferred Tax	51.26	(2.71)
Tax adjustments related to earlier years:		
- Current tax	<u>(11.05)</u>	-
	<u>80.37</u>	<u>61.85</u>
<b>27. Earnings per share</b>		
Profits for the year attributable to equity holders of the Company (Rs. Crores)	551.68	301.75
Weighted average number of equity shares (Nos.)	162,416,137	162,416,137
Basic and Diluted earnings per share (face value Rs. 2 per share)	33.97	18.58



# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

Rs. Crores			
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>28.</b> (i) Contingent liabilities not provided for:			
Claims (excluding claims by employees where amount not ascertainable) not acknowledged as debts:			
- Sales tax matters	1.47	1.47	1.33
- Service tax/excise matters	32.54	31.66	31.66
- Additional premium on land	8.11	8.11	8.11
- Interest/other charges on cane purchases for earlier years	71.66	-	-
- Others	5.63	6.56	5.93
<b>Total</b>	<b>119.41</b>	<b>47.80</b>	<b>47.03</b>
(ii) Capital commitments (net of advances)	86.67	314.54	60.34
(iii) Uncalled liability on partly paid shares	-	-	0.30

**29.** In accordance with past practice, the Company has taken revenue credits aggregating Rs. 66.88 crores (2015-16 - Rs. 55.85 crores receivable) 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.

## 30. Segment reporting

### A. Operating segments and principal activities:

Based on the guiding principles given in Ind AS- 108 'Operating segments', the Group's operating segments, based on products include: Fertilisers (manufacturing of urea), Chloro-Vinyl (manufacturing of poly-vinyl chloride, carbide and chlor alkali products), Shriram Farm solutions (trading of diammonium phosphate, muriate of potash, super phosphate, other fertilisers, seeds and pesticides), Sugar (manufacturing of sugar products and co-generation of Power), Bioseed (production of hybrid seeds), Others (UPVC window systems, Cement, Rural retail and plaster of paris). Sale of power from the power generation facilities set up for the operating segments is included in their respective results.

### B. Geographical segments:

Since the Group's activities/operations are primarily within the country and considering the nature of products/services it deals in, the risks and returns are same and as such there is only one geographical segment.

### C. Segment accounting policies:

In addition to the significant accounting policies applicable to the operating segments as set out in note 1.4, the accounting policies in relation to segment accounting are as under:

(i) Segment revenue and expenses:

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

(ii) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property, plant and equipments, 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 trade payables. Segment assets and liabilities do not include deferred income taxes. While most of the assets/ liabilities can be directly attributed to individual segment, the carrying amount of certain assets/ liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

(iii) Inter segment sales:

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

### D. Revenue from major products:

Revenue from major products is given in note 55

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

## E. Geographical information:

(i) Revenue from external customers: The Group's revenue from external customers by location of operation are as under:

Particulars	Rs. Crores	
	This year	Previous year
- Within India	6,004.45	5,931.51
- Outside India	81.95	52.42
<b>Total</b>	<b>6,086.40</b>	<b>5,983.93</b>

(ii) Non-current assets other than financial instruments and deferred tax assets:

Particulars	Rs. Crores	
	This year	Previous year
- Within India	2,015.91	1,721.06
- Outside India	70.40	71.58
<b>Total</b>	<b>2,086.31</b>	<b>1,792.68</b>

## F. Information about major customer

There is no single customer who contributed 10% or more of the Group's revenue during the year ended March 31, 2017 and March 31, 2016.

## G. Information about business segments

PARTICULARS	Rs. Crores															
	Chloro-Vinyl		Sugar		Shriram Farm Solutions		Bloseed		Fertiliser		Others		Elimination		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
<b>1. REVENUE</b>																
External sales (Gross)	1,557.77	1,354.44	1,582.99	942.78	1,014.47	1,797.80	342.49	321.33	745.74	793.98	842.94	773.60			6,086.40	5,983.93
Other Operating Income	4.36	5.92	18.03	25.37	0.30	0.51	2.18	3.44	1.02	6.39	4.90	4.67			30.79	46.30
Inter segment sales	22.08	18.59	-	-	0.93	0.23	125.12	163.63			1.69	1.86	149.82	184.31		
<b>Total revenue</b>	<b>1,584.21</b>	<b>1,378.95</b>	<b>1,601.02</b>	<b>968.15</b>	<b>1,015.70</b>	<b>1,798.54</b>	<b>469.79</b>	<b>488.40</b>	<b>746.76</b>	<b>800.37</b>	<b>849.53</b>	<b>780.13</b>	<b>149.82</b>	<b>184.31</b>	<b>6,117.19</b>	<b>6,030.23</b>
<b>2. RESULTS</b>																
Segment results	398.68	349.03	315.40	87.82	28.63	72.87	14.73	8.06	54.99	31.03	13.47	1.07			825.90	549.88
Unallocated expenses (net of income)															121.77	102.19
<b>Operating profit</b>	<b>398.68</b>	<b>349.03</b>	<b>315.40</b>	<b>87.82</b>	<b>28.63</b>	<b>72.87</b>	<b>14.73</b>	<b>8.06</b>	<b>54.99</b>	<b>31.03</b>	<b>13.47</b>	<b>1.07</b>			<b>704.13</b>	<b>447.69</b>
Finance costs															71.43	85.41
<b>Profit before tax</b>															<b>632.70</b>	<b>362.28</b>
Provision for taxation																
- Current and deferred tax															91.42	61.85
- Tax adjustments related to earlier years															(11.05)	-
<b>Net profit</b>															<b>552.33</b>	<b>300.43</b>
<b>3. OTHER INFORMATION</b>																
<b>A. ASSETS</b>																
Segment assets	1,303.33	1,050.14	1,743.61	1,398.35	565.82	716.05	761.04	695.75	505.21	611.07	341.35	344.06			5,220.36	4,815.42
Unallocated assets															353.52	191.63
<b>Total assets</b>	<b>1,303.33</b>	<b>1,050.14</b>	<b>1,743.61</b>	<b>1,398.35</b>	<b>565.82</b>	<b>716.05</b>	<b>761.04</b>	<b>695.75</b>	<b>505.21</b>	<b>611.07</b>	<b>341.35</b>	<b>344.06</b>			<b>5,573.88</b>	<b>5,007.05</b>
<b>B. EQUITY AND LIABILITIES</b>																
Equity															2,529.81	2,093.12
Segment liabilities	255.62	290.41	725.17	361.71	166.87	500.02	401.87	353.39	110.82	91.80	191.52	150.19			1,851.87	1,747.52
Secured and unsecured loans															1,073.89	1,064.36
Unallocated liabilities															118.31	102.05
<b>Total liabilities</b>	<b>255.62</b>	<b>290.41</b>	<b>725.17</b>	<b>361.71</b>	<b>166.87</b>	<b>500.02</b>	<b>401.87</b>	<b>353.39</b>	<b>110.82</b>	<b>91.80</b>	<b>191.52</b>	<b>150.19</b>			<b>5,573.88</b>	<b>5,007.05</b>
<b>C. OTHERS</b>																
Capital expenditure	282.72	327.03	109.96	21.85	0.49	1.90	4.68	10.49	14.29	18.13	6.97	15.34			419.10	394.74
Unallocated capital expenditure															14.99	17.30
Depreciation and amortisation expense	49.43	41.78	26.81	25.14	0.35	0.30	5.26	5.46	9.49	9.20	11.78	11.72			103.12	93.60
Unallocated depreciation and amortisation expense															10.61	4.35
Non cash expenses other than depreciation	-	0.02	-	-	3.09	1.13	3.10	2.96	-	-	0.50	0.19			6.68	4.30
Unallocated non cash expenses other than depreciation															5.21	0.33

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

## 31. Related party disclosures

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

1. Holding company: Sumant Investments Private Limited

2. Joint venture: Shriram Axiall Private Limited

3. Key Managerial Persons, their relatives and HUFs:

Executive Directors and their relatives and HUFs (with whom transactions are there):

Mr. Ajay S. Shriram, Mr. Vikram S. Shriram, Mr. Ajit S. Shriram, Mr. N.J. Singh, Mr. K.K. Kaul, Mr. Aditya A. Shriram (relative of Mr. Ajay S. Shriram), Mr. Anand A. Shriram (relative of Mr. Ajay S. Shriram), Mr. Pranav V. Shriram (relative of Mr. Vikram S. Shriram)<sup>1</sup>, 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).

Independent Directors and their relatives (with whom transactions are there):

Mr. Pradeep Dinodia, Mr. Vimal Bhandari, Mr. Sunil Kant Munjal, Mrs. Ramni Nirula, Mr. Vikramjit Sen<sup>2</sup>, Mr. Pravesh Sharma<sup>2</sup>, Mr. Sharad Shrivastva, Mrs. Pallavi Dinodia (relative of Mr. Pradeep Dinodia), Mr. S.S. Bajjal<sup>3</sup>, Mr. Arun Bharat Ram<sup>3</sup>, Mr. D Sengupta<sup>3</sup>

1. w.e.f. December 01, 2016

2. w.e.f. August 09, 2016

3. upto August 09, 2016

4. Trust : Sir Shriram Foundation, DCM Shriram Employees' Provident Fund Trust, DCM Shriram Officers' Superannuation Fund Trust

5. Subsidiaries incorporated under section 8 of Companies Act 2013: DCM Shriram Foundation, Shridhar Shriram Foundation

### B. Details of transactions and balance outstanding with related parties

#### (i) Transactions with related parties:

S. No.	Nature of transaction	Particulars	Rs. Crores	
			This year	Previous year
1.	Sale of products	Shriram Axiall Pvt Limited	20.50	18.94
		Mr. Ajay S. Shriram	-	0.03
		Mr. Vikramjit Sen	0.03	-
		Mrs. Pallavi Dinodia	0.05	-
		<b>Total</b>	<b>20.58</b>	<b>18.97</b>
2.	Common services expenses recovered	Shriram Axiall Pvt Limited	0.96	0.96
3.	Supply of water, power and steam	Shriram Axiall Pvt Limited	1.47	2.11
4.	Purchases of finished goods	Shriram Axiall Pvt Limited	0.09	0.07
5.	Rent paid	M/s Ajay S. Shriram (HUF)	1.47	1.47
		M/s Vikram S. Shriram (HUF)	1.31	1.31
		M/s Ajit S. Shriram (HUF)	1.31	1.31
		Relatives of Key management personnel	0.20	0.20
		<b>Total</b>	<b>4.29</b>	<b>4.29</b>
6.	Remuneration (including commission) <sup>2</sup>	Mr. Ajay S. Shriram	6.64	5.35
		Mr. Vikram S. Shriram	6.45	5.17
		Mr. Ajit S. Shriram	5.73	4.48
		Mr. K.K. Kaul	1.97	1.79
		Mr. N.J. Singh	0.84	0.74
		Relatives of Key management personnel	1.36	0.88
		<b>Total<sup>1</sup></b>	<b>22.99</b>	<b>18.41</b>
7.	Sitting fees and commission	Independent Directors	2.12	1.79

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

S. No.	Nature of transaction	Particulars	Rs. Crores	
			Current year	Previous year
8.	Dividend paid	Sumant Investments Private Limited	57.00	27.52
		Key managerial personnel their relatives and their HUF	1.86	0.90
		<b>Total</b>	<b>58.86</b>	28.42
9.	Contribution to Provident and Superannuation Fund Trust	DCM Shriram Employees' Provident Fund Trust, DCM Shriram Officers' Superannuation Fund Trust	29.65	26.92
10.	Contribution for CSR activities	Sir Shriram Foundation	1.25	0.80

- Includes post employment benefits Rs. 1.49 crores (previous year Rs. 1.40 crores)
- Provision for incremental gratuity liability and leave encashment for the current year in respect of directors has not been considered above, since the provision is based on a actuarial basis for the Company as a whole.

**(ii) Balance outstanding as at the year end:  
(unsecured unless otherwise stated)**

S. No.	Nature of outstanding	Particulars	Rs. Crores		
			March 31, 2017	March 31, 2016	April 1, 2015
1.	Security deposits receivable	Relatives of Key management personnel and HUF's	8.34	8.34	8.34
2.	Loans and advances receivable	DCM Shriram Foundation (Maximum outstanding during the year - Rs 0.01 Crores; March 31, 2016 - Rs 0.02 Crores)	0.01	0.01	0.01
3.	Trade payable	Shriram Axiall Pvt Limited	0.01	-	-
4.	Trade receivables	Shriram Axiall Pvt Limited	1.82	0.74	3.08
5.	Commission payable	Key managerial personnel	12.69	9.29	6.04

The transactions with related parties are as per the terms of arrangement between the parties and to be settled through receipt/payment or sale/purchase of goods or services.

### 32. Employee Benefits

The Company has classified the various benefits provided to employees as under:-

**(i) Defined contribution plans:**

The Group has recognized the following amounts in the statement of profit and loss:

	Rs. Crores	
	This year	Previous year
- Employers' contribution to provident fund*	22.14	19.64
- Employers' contribution to superannuation fund	7.58	7.37
- Employers' contribution to employees' state insurance corporation	0.28	0.19

\* There is no shortfall in the interest cost for which Company is liable as at the date of financial statement.

**(ii) Disclosure in respect of Defined benefit plans (Gratuity) is as under:**

The principal assumptions used for the purpose of actuarial valuation were as under:

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate	7.75%	8%	8%
Expected rate of salary increase	7.50%	7%	7%
Mortality rate	IALM (2006-08) ultimate, duly modified	IALM (2006-08) ultimate, duly modified	IALM (2006-08) ultimate, duly modified

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Withdrawal rates:			
- Upto 30 years	3%	3%	3%
- 31 to 44 years	2%	2%	2%
- above 44 years	1%	1%	1%
Retirement age	58/60 yrs	58/60 yrs	58/60 yrs

(a) Amount recognised in statement of profit and loss in respect of the defined benefit plan are as follows:

	Rs. Crores	
	This year	Previous year
<b>Components of defined benefit costs recognised in statement of consolidated profit and loss</b>		
Current service cost	6.97	6.35
Net interest expense	7.11	6.62
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>14.08</b>	<b>12.97</b>
<b>Components of defined benefit costs recognised in other comprehensive income</b>		
Actuarial (gain)/loss from changes in financial assumptions	5.65	-
Actuarial (gain)/loss arising from experience adjustments	7.09	2.56
Return on plan assets (higher)/lower than discount rate	0.10	(0.01)
<b>Total actuarial (gain)/loss recognised in other comprehensive income</b>	<b>12.84</b>	<b>2.55</b>
<b>Total amount recognised in statement of consolidated profit or loss</b>	<b>26.92</b>	<b>15.52</b>

The current service cost and the net interest expense for the year are included in the salaries, wages, bonus, gratuity etc. in note 22 "Employee Benefits expense".

The actuarial (gain)/loss on remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

	Rs. Crores		
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Present value of defined benefit obligation	118.40	99.87	93.12
Fair value of plan assets	(2.71)	(2.49)	(2.06)
<b>Net liability arising from defined benefit obligation</b>	<b>115.69</b>	<b>97.38</b>	<b>91.06</b>
- Non-current liability	95.49	83.05	76.63
- Current liability	20.20	14.33	14.43

(c) Movements in the present value of defined benefit obligations are as follows:

	Rs. Crores	
	This year	Previous year
Opening defined benefit obligation	99.87	93.12
Current service cost	6.97	6.35
Interest cost	7.32	6.78
Remeasurement (gains)/losses:		

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

	Rs. Crores	
	This year	Previous year
- Actuarial (gain)/loss from changes in financial assumptions	5.65	-
- Actuarial (gain)/loss arising from experience adjustments	7.09	2.56
Benefits paid by employer	(8.21)	(8.81)
Benefits paid from plan assets	(0.29)	(0.13)
<b>Closing defined benefit obligations</b>	<b>118.40</b>	<b>99.87</b>

**(d) Movements in the fair value of plan assets are as follows:**

	Rs. Crores	
	This year	Previous year
Opening fair value of plan assets	2.49	2.06
Expected return on plan assets	0.21	0.16
Employer contribution	0.40	0.39
Remeasurement gains/(losses):		
- Return on plan assets (higher)/lower than discount rate	(0.10)	0.01
Benefits paid	(0.29)	(0.13)
<b>Closing fair value of plan assets</b>	<b>2.71</b>	<b>2.49</b>

**(e) Sensitivity analysis**

	Rs. Crores	
	As at March 31, 2017	As at March 31, 2016
Sensitivity of gross defined benefit obligation as mentioned above, in case of change in significant assumptions, would be as under :		
<b>Discount rate</b>		
(i) Discount rate -100 basis point	126.74	106.94
(ii) Discount rate + 100 basis point	110.68	93.64
<b>Salary increase rate</b>		
(i) rate -100 basis point	110.81	93.69
(ii) rate + 100 basis point	126.29	106.69

**(f) Major categories of plan assets**

The plan assets at one of the unit are maintained with LIC of India Gratuity Scheme. The details of investment maintained by LIC are not available and have therefore not been disclosed.

**(g)** The Company expects to contribute Rs. 0.75 crores to the LIC fund during the year 2017-18.

**(h)** The average expected future working life of members of the defined benefit obligation as at March 31, 2017 is 15.82 years (as at March 31, 2016:15.97 years).

**33. (a) Amount recognised in statement of profit and loss for investment properties**

	Rs. Crores	
	This year	Previous year
Rental income	4.29	4.29
Direct operating expenses from property that generated rental income	0.11	0.11
Income from investment properties before depreciation	4.18	4.18
Depreciation	0.12	0.10
Income from investment properties after depreciation	4.06	4.08

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

## (b) Leasing arrangements

One of the investment property has been leased out on long term operating leases with monthly rental payment. Minimum lease payment receivable under non-cancellable operating lease are as under:

	Rs. Crores	
	This Year	Previous
Within one year	2.68	4.29
Later than 1 year but not later than 5 years	-	2.68
	<b>2.68</b>	6.97

## (c) Fair value

The fair value of the Group's investment properties as at March 31, 2017, March 31, 2016 and April 1, 2015 have been arrived at on the basis of a valuation carried out by government approved independent valuers. The inputs used in fair valuation are circle rate of the property, prevailing market price of the similar kind of property in that area and other relevant factors.

Information about the fair value of the Group's investment properties and fair value hierarchy are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fair value of the investment properties (Rs. Crores)	<b>61.27</b>	65.64	70.19
Fair value hierarchy	<b>Level 3</b>	Level 3	Level 3

## 34. Disclosure in respect of leases as per Ind AS 17 "Leases" :-

### (a) Assets taken on lease

#### (i) Finance lease

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

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

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

	Rs. Crores					
	Total		Not later than one year		Later than one year but not later than five years	
	This year	Previous year	This year	Previous year	This year	Previous year
Total of minimum lease payments at the balance sheet date	<b>0.39</b>	0.61	<b>0.14</b>	0.22	<b>0.26</b>	0.39
Less: Future finance charges	<b>0.01</b>	0.02	<b>0.02</b>	0.02	-	-
Present value of minimum lease payments at the balance sheet date	<b>0.38</b>	0.59	<b>0.12</b>	0.20	<b>0.26</b>	0.39



# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

## (ii) Operating lease

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 after lock-in period, by serving notice period as per the terms of the agreements.

Information w.r.t. non-cancellable leases:

	Rs. Crores	
	This year	Previous year
Total of minimum lease payments	0.54	4.15
The total of minimum lease payments for a period :		
- Not later than one year	0.52	3.62
- Later than one year and not later than five years	0.02	0.53
<b>(iii) Lease payment recognised in the statement of profit and loss for the year*</b> (including cancellable and non-cancellable leases)	<b>28.10</b>	26.80

\*Rs. 1.90 crores (2015-16 – Rs. 2.05 crores) is included in Employees benefits expense.

## (b) Assets given on lease:

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

	Gross Block		Accumulated depreciation		Depreciation for the year	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	This year	Previous year
Land and Building	19.62	19.18	0.60	0.30	0.30	0.30
Plant and Equipment	0.45	0.45	0.08	0.04	0.04	0.04
Furniture and Fixtures	0.16	0.16	0.09	0.05	0.04	0.05
Office Equipments	0.01	0.01	-	-	-	-
	<b>20.24</b>	19.80	<b>0.77</b>	0.39	<b>0.38</b>	0.39

## (ii) Information w.r.t. non-cancellable leases:

	Rs. Crores	
	This year	Previous year
Future minimum lease rent receivables	14.16	19.15
- Not later than one year	3.11	4.72
- Later than one year and not later than five years	1.88	4.47
- Later than five years	9.17	9.96

35. Provision for contingencies in note 14 represents provision for various contingencies resulting from issues relating to reconstruction arrangement of the companies and other uncertainties requiring management judgement.

	Rs. Crores		
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision as at the beginning of the year	20.74	12.09	12.09
Provision made during the year	-	8.65	-
Provision as at the end of the year	<b>20.74</b>	20.74	12.09

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

36. Expenditure on corporate social responsibility activities under section 135 of the Companies Act 2013 as under:

Particulars	Rs. Crores	
	This year	Previous year
Amount required to be spent	6.52	5.03
Amount actually spent	6.60	5.03

37. Research and development expenses included under relevant heads in the statement of profit and loss Rs. 43.81 crores (2015 - 16 - Rs. 40.00 crores)

### 38. Employee share based payments

The Company has an Employees Stock Purchase Scheme (DCM Shriram ESPPS) which is administered through DCM Shriram Employees Benefits Trust based on acquisition of shares from the market to provide equity based incentives to employees under the Scheme. The shares offered, lock-in-period and grant price may be different for different eligible participants and determined at the time of every grant of shares. The expenses related to the grant of shares under the Scheme is accounted for on the basis of the fair value (which equals to market price of the Company's share on date of grant less exercise price) of share on the date of grant and is amortized on a straight line basis over the lock-in period, if any.

The number and weighted average fair value of equity shares granted during the year are as under:

	This year	Previous year
No. of equity shares granted during the year	75,000	479,500
Weighted average fair value on the grant date (Rs. per equity share)	206.25	113.29

### 39. Assets pledged as security

A. The carrying amount of assets pledged as security for borrowings are as under:

	Rs. Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets	1,426.26	1,558.49	1,345.70
Inventories	1,582.11	1,277.55	1,079.80
Property, Plant and Equipment	1,881.07	1,007.63	1,268.02
<b>Total</b>	<b>4,889.44</b>	<b>3,843.67</b>	<b>3,693.52</b>

B. Nature of security and terms of repayment for secured borrowings

S. No.	Nature of Security	Terms of Repayment
<b>Short term working capital borrowings from banks:</b>		
<b>Company</b>		
1.	Loans from banks on cash credit account of Rs. 169.47 Crores (March 31, 2016 - Rs. 96.24 Crores, April 1, 2015 - Rs. 101.27 Crores) are secured by first pari passu charge on whole of the current assets, both present and future, of the company (except Shriram Bioseed Genetics, Hyderabad & Bioseed Research India, Hyderabad). These loans are further secured by a third charge by way of mortgage/hypothecation of all the immovable/movable properties (other than current assets) of the Company's undertakings at Kota in Rajasthan and Ajbapur, Rupapur, Loni & Hariawan in Uttar Pradesh. Amount of Rs. 0.12 Crores (March 31, 2016 - Rs. 2.50 crores, April 1, 2015 - Rs. Nil) 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.	- Repayable on demand
2.	Short Term Loans of Rs. 235.44 Crores (March 31, 2016 - Rs. 321.69 Crores, April 1, 2015 - Rs. 196.53 Crores) are secured by first pari passu charge on whole of the current assets, both present and future, of the Company (except Shriram Bioseed Genetics, Hyderabad & Bioseed Research India, Hyderabad), and a third charge by way of mortgage/hypothecation of all the immovable/movable	- Repayable as per terms of agreement upto July 28, 2017

## Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

S. No.	Nature of Security	Terms of Repayment
<b>Short term working capital borrowings from banks:</b>		
<b>Company</b>		
	properties (other than current assets) of the Company's undertakings at Kota in Rajasthan and Ajbapur, Rupapur, Loni & Hariawan in Uttar Pradesh.	
<b>Long term loans from banks:</b>		
<b>Company</b>		
1.	Term loan of Rs. 64.57 Crores (March 31, 2016 – Rs. 96.86 Crores, April 1, 2015 - Rs. 96.59 Crores) is secured by way of second pari passu charge created on all the current assets, both present and future, of the Company (except Shriram Bioseed Genetics, Hyderabad & Bioseed Research India, Hyderabad) and by way of third pari passu mortgage /charge created on immovable/movable fixed assets, both present and future, of sugar units of the Company located at Ajbapur, Rupapur, Hariawan and Loni. (Rs. 32.29 Crores due within 1 year; March 31, 2016 - Rs. 32.29 Crores; April 1, 2015 - Rs. Nil).	- Repayable in 24 equal monthly installments
2.	Term Loan of Rs. Nil (March 31, 2016 - Rs. Nil, April 1, 2015 - Rs. 31.25 Crores) is secured by way of first pari - passu mortgage/charge created on immovable /movable fixed assets, both present and future, of the company's undertaking at Loni Sugar Complex, Uttar Pradesh and Rs. Nil (March 31, 2016 - Rs. Nil, April 1, 2015 - Rs. 10.42 Crores) is secured by way of first charge created on movable fixed assets, both present and future, of the company's undertaking at Rupapur Sugar Complex, Uttar Pradesh (Rs. Nil due within 1 year; March 31, 2016 - Rs. Nil; April 1, 2015 - Rs. 41.67 Crores due within 1 year).	-
3.	Term loan of Rs. 53.90 Crores (March 31, 2016 - Rs. Nil; April 1, 2015 - Rs. Nil) is secured by way of first pari passu mortgage/charge to be created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Ajbapur, Uttar Pradesh (Rs. Nil due within 1 year; March 31, 2016 - Rs. Nil; April 1, 2015 - Rs. Nil).	- Repayable in 20 equal quarterly installments commencing from January, 2022
4.	Term loan of Rs. 130.06 Crores (March 31, 2016 - Rs. 162.19 Crore; April 1, 2015 - Rs. Nil) is secured by way of first pari passu mortgage/charge created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Kota, Rajasthan (Rs. 29.09 Crores due within 1 year; March 31, 2016 - Rs. 29.72 Crores; April 1, 2015 - Rs. Nil).	- Repayable in 9 equal semi annual installments
5.	Term loan of Rs. 129.07 Crores (March 31, 2016 - Rs. Nil; April 1, 2015 - Rs. Nil) is secured by way of first pari passu mortgage/charge created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Kota, Rajasthan (Rs. Nil due within 1 year; March 31, 2016 - Rs. Nil; April 1, 2015 - Rs Nil).	- Repayable in 10 equal semi annual installments commencing from December, 2018
<b>Long term loans from others:</b>		
<b>Company</b>		
1.	Term loan of Rs. Nil (March 31, 2016 - Rs. Nil, April 1, 2015 - Rs. 192.31 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. Nil due within 1 year; March 31, 2016 - Rs. Nil; April 1, 2015 - Rs. 48.08 Crores).	-
2.	Term loan of Rs. Nil (March 31, 2016 - Rs. Nil, April 1, 2015 - Rs. 12.50 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. Nil due within 1 year; March 31, 2016 - Rs. Nil; April 1, 2015 - Rs. 12.50 Crores).	-
3.	Term loan of Rs. Nil (March 31, 2016 – Rs. 2.92 Crores; April 1, 2015 - Rs. 8.25 Crores) is secured by way of first pari passu mortgage/charge created on immovable/movable assets (excluding current assets), both present and future and a second charge ranking pari passu on the current assets, both present and future, pertaining to the Company's Hariawan Sugar Complex, Uttar Pradesh (Rs. Nil due within 1 year; March 31, 2016 - Rs. 2.92 Crores; April 1, 2015 - Rs. 5.49 Crores).	-

## Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

S. No.	Nature of Security	Terms of Repayment
<b>Long term loans for others :</b>		
<b>Company</b>		
4.	Term loan of Rs. 126.48 Crore (March 31, 2016 - Rs. Nil; April 1, 2015 - Rs. Nil) is secured by way of first pari passu mortgage/charge created/ to be created on immovable/movable Fixed Assets, both present and future and a second charge ranking pari passu on the current assets, both present and future, pertaining to the Company's Bharuch unit, Gujarat (Rs. Nil due within 1 year; March 31, 2016 - Rs. Nil; April 1, 2015 - Rs. Nil).	- Repayable in 17 equal semi-annual installments commencing from December, 2018
5.	Term loan of Rs. 10.65 Crores (March 31, 2016 - Rs. 15.98 Crores; April 1, 2015 - Rs. 21.30 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts), both present and future, pertaining to the Company's Ajbapur Sugar Complex, Uttar Pradesh (Rs. 5.33 Crores due within 1 year; March 31, 2016 - Rs. 5.33 Crores; April 1, 2015 - Rs. 5.33 Crores).	- Repayable in 2 equal annual installments
6.	Term loan of Rs. Nil (March 31, 2016 - Rs. 3.28 Crores; April 1, 2015 - Rs. 6.56 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts), both present and future, pertaining to the Company's Hariawan Sugar Complex, Uttar Pradesh (Rs. Nil due within 1 year; March 31, 2016 - Rs. 3.28 Crores; April 1, 2015 - Rs. 3.28 Crores).	-
7.	Term loan of Rs. 11.39 Crores (March 31, 2016 - Rs. 14.24 Crores; April 1, 2015 - Rs. 14.24 Crores) is secured by way of an exclusive second charge on all immovable and movable assets (save and except book debts) both present and future, pertaining to the Company's Rupapur Sugar Complex, Uttar Pradesh (Rs. 2.84 Crore due within 1 year; March 31, 2016 - Rs. 2.84 Crore; April 1, 2015 - Rs. Nil).	- Repayable in 4 annual equal installments
8.	Term Loan of Rs. 5.38 Crores (March 31, 2016 - Rs. 7.52 Crores; April 1, 2015 - Rs. 9.68 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts) both present and future, pertaining to the Company's Loni Sugar Complex, Uttar Pradesh (Rs. 2.15 Crores due within 1 year; March 31, 2016 - Rs. 2.15 Crores; April 1, 2015 - Rs. 2.15 Crores).	- Repayable in 5 equal semi-annual installments
9.	Term loan of Rs. 2.37 Crores (March 31, 2016 - Rs. 2.65 Crores; April 1, 2015 - Rs. 2.53 Crores) from Department of Biotechnology, Government of India is secured against hypothecation of plant & machinery, machinery spares, tools and accessories acquired from the loan proceeds to Company's Bioseed Research India division. (Rs. 0.45 Crores due within 1 year; March 31, 2016 - Rs. 0.36 Crores; April 1, 2015 - Rs. 0.29 Crores).	- Rs. 0.12 crores repayable in 4 equal annual installments - Rs. 1.28 crores repayable in 5 equal annual installments - Rs. 0.60 crores repayable in 9 equal semi-annual installments - Rs. 0.37 crores repayable in 10 equal semi-annual installments commencing after one year from the completion of the project
<b>Subsidiary (Shri Ganpati Fertilizers Limited)</b>		
1.	Loan of Rs. Nil (March 31, 2016 - Rs. 0.16 Crores; April 1, 2015 - Rs. 0.16 Crores) is secured by hypothecation of assets purchased (Rs. Nil due within 1 year; March 31, 2016 - Rs. 0.16 Crores; April 1, 2015 - Rs. 0.16 Crores).	-

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

## 40. Income tax expense

	Rs. Crores	
	This year	Previous year
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	40.16	64.56
Adjustments for current tax of prior year	(11.05)	-
<b>Total current tax expense</b>	<b>29.11</b>	<b>64.56</b>
<b>Deferred tax</b>		
Deferred tax charge/(credit)	51.26	(2.71)
<b>Total tax expense</b>	<b>80.37</b>	<b>61.85</b>
<b>(b) Reconciliation of tax expense and the accounting profit</b>		
Profit before tax	632.70	362.28
Income tax expense calculated at 34.608%	218.96	125.38
(i) Tax effect of:		
- Income exempt from tax	(0.91)	(1.69)
- Corporate social responsibility expenses not allowed as deduction	2.29	1.74
- Weighted deduction on research and development expenses	(4.76)	(3.95)
- Deduction under section 80-IA of the Income-tax Act, 1961	(110.91)	(90.82)
- Additional deduction on addition to plant and equipment under section 32AC	(33.93)	(2.32)
- Previously unrecognised tax losses now recouped to reduce current tax expense	(3.53)	-
- deductible temporary differences on which no deferred tax is recognised	9.48	16.37
- different tax rates of subsidiaries operating in other jurisdiction rate of holding company	12.72	5.73
(ii) Provision for MAT credit entitlement	-	7.23
(iii) Capital gain tax	0.81	2.27
(iv) Others	(9.85)	1.91
<b>Income tax expense</b>	<b>80.37</b>	<b>61.85</b>
<b>(c) Tax effect on unrecognised temporary differences relating to:</b>		
(i) Provision for impairment in value of land	2.30	2.00
(ii) Difference in tax base and accounting base of asset held for sale	7.98	7.57
(iii) Unabsorbed business loss	7.57	8.23
(iv) Unabsorbed business depreciation	2.11	1.98
<b>Total</b>	<b>19.96</b>	<b>19.78</b>

## (d) Deferred tax movements

### Deferred tax assets/(liabilities) in relation to:

	Rs. Crores					
	Provision for gratuity and compensated absences	Provision for doubtful debts and advances	Depreciation	Others	MAT credit entitlement	Total
<b>As at April 1, 2015</b>	53.38	5.87	(209.32)	35.80	99.92	(14.35)
(Charged)/credited to:						
Profit and loss	3.56	(0.78)	(9.92)	9.37	25.35	27.58
Other comprehensive income	0.88	-	-	0.36	-	1.24
<b>As at March 31, 2016</b>	57.82	5.09	(219.24)	45.53	125.27	14.47
(Charged)/credited to:						
Profit and loss	5.81	6.88	(59.19)	(5.50)	113.68	61.68
Other comprehensive income	4.45	-	-	(0.49)	-	3.96
<b>As at March 31, 2017</b>	<b>68.08</b>	<b>11.97</b>	<b>(278.43)</b>	<b>39.54</b>	<b>238.95</b>	<b>80.11</b>

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

## 41. Information w.r.t. a joint venture is as under:

Name of Joint Venture	Shriram Axiall Private Limited
Country of incorporation	India

Particulars	Rs. Crores	
	This year	Previous year
Share of profit before tax	0.11	1.07
Share of profit after tax	0.04	0.73
Share of other comprehensive income/(loss)	(0.13)	(0.09)
Share of total comprehensive income/(loss)	(0.09)	0.64
Ownership Interest	50%	50%

## 42. Financial instruments by category

The criteria for recognition of financial instruments is explained in significant accounting policies note 1.4 (j)

	March 31, 2017			March 31, 2016			April 1, 2015		
	Amortised cost	FVTOCI	FVTPL	Amortised cost	FVTOCI	FVTPL	Amortised cost	FVTOCI	FVTPL
<b>Financial assets</b>									
Investments									
- Equity instruments	-	10.81	-	-	7.88	-	-	8.49	-
- Government securities	0.06	-	-	0.08	-	-	0.08	-	-
Trade receivables	1,006.35	-	-	1,289.28	-	-	1,059.52	-	-
Loans	18.72	-	-	21.00	-	-	17.92	-	-
Cash and cash equivalents and bank balances	104.11	-	107.41	39.82	-	-	93.35	-	-
Derivative financial assets	-	2.03	3.68	-	0.27	24.84	-	-	19.55
Others	56.99	-	-	59.87	-	-	63.52	-	-
<b>Total financial assets</b>	<b>1,186.23</b>	<b>12.84</b>	<b>111.09</b>	<b>1,410.05</b>	<b>8.15</b>	<b>24.84</b>	<b>1,234.39</b>	<b>8.49</b>	<b>19.55</b>
<b>Financial liabilities</b>									
Borrowings	980.49	-	-	984.64	-	-	630.40	-	-
Trade payables	1,175.86	-	-	1,149.19	-	-	1,113.44	-	-
Derivative financial liabilities	-	0.89	22.09	-	0.50	17.96	-	-	10.64
Other financial liabilities	175.86	-	-	240.70	-	-	198.18	-	-
<b>Total financial liabilities</b>	<b>2,332.21</b>	<b>0.89</b>	<b>22.09</b>	<b>2,374.53</b>	<b>0.50</b>	<b>17.96</b>	<b>1,942.02</b>	<b>-</b>	<b>10.64</b>

Note: The fair value of non-current financial assets and financial liabilities carried at amortized cost is substantially same as their carrying amount.

## 43. Capital management

The Group endeavours to optimize debt and equity balance and provide adequate strength to the balance sheet. The Group monitors capital on the basis of debt equity ratio.

## 44. Financial risk management

The Group's activities expose it to various financial risks : Credit risk, Liquidity risk and Market risk.

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

## 44.1 Credit risk management

Credit risk arises from credit exposure to customers (including receivables and deposit), loans and other financial assets. The Company perform credit evaluation and defines credit limits for each customer/counter party. The Company also continuously reviews and monitors the same.

The provision for doubtful debts or provision for impairment of investments etc is made on case to case basis, based on the information related to financial position, past history, and other relevant available information about the counterparty.

The Company also makes general provision for lifetime expected credit loss based on its previous experience of provision/write off in previous years.

The movement in the provision for doubtful debts and provision diminution in value of investments is as under:

Particulars	Rs. Crores	
	Trade receivables	Investments
Provision as at April 1, 2015	21.84	2.55
Provision made during the year 2015-16	0.37	-
Provision as at March 31, 2016	22.21	2.55
Provision made during the year 2016-17	7.77	-
Written off during the year 2016-17	-	0.30
<b>Provision as at March 31, 2017</b>	<b>29.98</b>	<b>2.25</b>

## 44.2 Liquidity risk management

- (i) The Group manages liquidity by ensuring control on its working capital which involves adjusting production levels and purchases to market demand and daily sales of production and low receivables. It also ensures adequate credit facilities sanctioned from bank to finance the peak estimated funds requirements. The working capital credit facilities are continuing facilities which are reviewed and renewed every year. The Company also ensures that the long term funds requirements are met through adequate availability of long term capital (Debt & Equity).

	Rs. Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total Committed working capital limits from Banks	<b>870.00</b>	870.00	1,100.00
Utilized working capital limit	<b>277.73</b>	629.03	312.17
Unutilized working capital limit	<b>592.27</b>	240.97	787.83

### (ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amount disclosed in the table are the contractual undiscounted cash flow.

Contractual maturities of financial liabilities

	Rs. Crores			
	upto 1 year	Between 1 year to 5 year	Over 5 years	Total
<b>As at March 31, 2017</b>				
<b>Non-derivatives</b>				
Borrowing *	196.21	362.55	114.66	673.42
Trade Payables	1,175.86	-	-	1,175.86
Other financial liabilities	4.02	-	-	4.02
<b>Total non-derivative liabilities</b>	<b>1,376.09</b>	<b>362.55</b>	<b>114.66</b>	<b>1,853.30</b>
<b>Derivatives (net settled)</b>				
Foreign exchange forward Contract	22.98	-	-	22.98
<b>Total derivative liabilities</b>	<b>22.98</b>	<b>-</b>	<b>-</b>	<b>22.98</b>



# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

	Rs. Crores			
	upto 1 year	Between 1 year to 5 year	Over 5 years	Total
<b>As at March 31, 2016</b>				
<b>Non-derivatives</b>				
Borrowing *	177.39	258.79	0.22	436.40
Trade Payables	1,149.19	-	-	1,149.19
Other financial liabilities	6.27	-	-	6.27
<b>Total non-derivative liabilities</b>	<b>1,332.85</b>	<b>258.79</b>	<b>0.22</b>	<b>1,591.86</b>
<b>Derivatives (net settled)</b>				
Foreign exchange forward Contract	18.46	-	-	18.46
<b>Total derivative liabilities</b>	<b>18.46</b>	<b>-</b>	<b>-</b>	<b>18.46</b>
<b>As at April 1, 2015</b>				
<b>Non-derivatives</b>				
Borrowing *	137.03	300.90	0.31	438.24
Trade Payables	1,113.44	-	-	1,113.44
Other financial liabilities	7.47	-	-	7.47
<b>Total non-derivative liabilities</b>	<b>1,257.94</b>	<b>300.90</b>	<b>0.31</b>	<b>1,559.15</b>
<b>Derivatives (net settled)</b>				
Foreign exchange forward Contract	10.24	-	-	10.24
Interest rate swap	0.40	-	-	0.40
<b>Total derivative liabilities</b>	<b>10.64</b>	<b>-</b>	<b>-</b>	<b>10.64</b>

\* Excludes utilized working capital limited disclosed in note 44.2 (i)

## 44.3 Market Risk

(a) The Group's operations are mainly in India and therefore rupee denominated, except the following:

- Foreign currency denominated loans (Long term & Short term)
- Imports of some raw material, stores & spares and capital equipments.

The Group follows a policy of keeping these liabilities fully hedged against foreign currencies. Regarding interest rate fluctuation, it follows a policy of partial hedge.

Some of the rupee liabilities have interest linked to the bank's MCLR or Financial market benchmark rates and are subject to variation in such rates.

(b) The Company's exposure to foreign currency risk at the end of the reporting period is with respect to loan of USD 5 mn (INR 32.40 crore ; March 31, 2016 - Rs. 33.13 crores ; April 1, 2015 - Rs 31.25 crores) which is hedged by an option contract that has become ineffective.

### (c) Sensitivity

With respect to the above unhedged exposure the sensitivity is as follows:

	Rs. Crores	
	Impact on profit before tax	
	This Year	Previous Year
USD sensitivity *		
INR/USD - Increase by 5%	1.62	1.66
INR/USD - Decrease by 5%	(1.62)	(1.66)

\* Holding all other variable constant

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

## (d) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate change at the end of the reporting period are as follows:

	Rs. Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Variable rate borrowings</b>			
Long Term	308.52	132.48	123.40
Short Term	207.23	495.48	362.49
<b>Total variable rate borrowings</b>	<b>515.75</b>	<b>627.96</b>	<b>485.89</b>
<b>Fixed rate borrowings</b>			
Long Term	163.68	125.07	177.55
Short Term	394.42	310.93	86.70
<b>Total fixed rate borrowings</b>	<b>558.10</b>	<b>436.00</b>	<b>264.25</b>
<b>Total Borrowings</b>	<b>1,073.85</b>	<b>1,063.96</b>	<b>750.14</b>

## (e) Sensitivity

Variable interest rate loans are exposed to Interest rate risk, the impact on Profit or loss before tax may be as follows:

	Rs. Crores	
	Impact on profit before tax March 31, 2017	March 31, 2016
Interest rate - increase by 100 basis points (100 bps)*	(5.21)	(6.29)
Interest rate - decrease by 100 basis points (100 bps)*	5.21	6.29

\* Holding all other variable constant

## 44.4 Impact of hedging activities

### (a) Disclosure of effects of hedge accounting on financial position:

								Rs. Crores	
March 31, 2017									
Type of hedge and risks	Nominal value of hedged instruments#		Carrying amount of hedging instrument##		Maturity date	Hedge ratio	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>Cash Flow hedge</b>									
Foreign exchange risk									
(i) Foreign exchange forward contracts	50.61	-	49.16	-	10-Apr17 to 23-Oct-17	1:1	USD 66.72 EUR 72.37	(1.45)	1.45
<b>Fair value hedge</b>									
(i) Foreign exchange forward contracts	464.09	42.53	467.16	41.12	11-Apr17 to 29-Sep-17	1:1	USD 66.06 EUR 74.20 JPY 0.54	(4.63)	4.63

# Nominal value is the INR value of the instrument based on spot rate of the first hedge

## Carrying value is the INR value of the instrument based on the spot rate of the reporting date

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

Rs. Crores

March 31, 2016									
Type of hedge and risks	Nominal value of hedged instruments#		Carrying amount of hedging instrument##		Maturity date	Hedge ratio	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>Cash Flow hedge</b>									
Foreign exchange risk									
(i) Foreign exchange forward contracts	46.24	-	49.37	-	18-Apr16 to 7-Oct-16	1:1	USD 67.20 EUR 74.54 JPY 0.55 CHF 68.27	2.31	(2.31)
<b>Fair value hedge</b>									
(i) Foreign exchange forward contracts	698.88	11.65	728.08	12.25	4-Apr-16 to 30-Dec-16	1:1	USD 63.75 EUR 71.92 JPY 0.54 CHF 69.80	28.60	(28.60)
(ii) Complete currency swap (Principal portion)	2.75	-	2.92	-	15-Jun-16	1:1	USD 62.50	(0.63)	0.63

April 1, 2015									
<b>Cash Flow hedge</b>									
Foreign exchange risk									
(i) Foreign exchange forward contracts	1.30	-	1.30	-	13-Apr-15 to 14-May-15	1:1	USD 62.5	-	-
<b>Fair value hedge</b>									
(i) Foreign exchange forward contracts	533.81	7.52	533.81	7.52	6-Apr-15 to 29-Jan-16	1:1	USD 62.5 EUR 67.20	-	-
(ii) Complete currency swap (Principal portion)	63.81	-	63.81	-	15 Jun 2015 to 15 Dec 2016	1:1	USD 62.50	-	-

## (b) Disclosure of effect of hedge accounting on financial performance

Movement in cash flow hedging reserve and costs of hedging reserve

Rs. Crores

Risk category Derivative instrument	Foreign currency risk	Interest rate risk	Total
	Foreign exchange forward contracts	Interest rate swaps	
(i) Cash flow hedging reserve			
<b>As at April 1, 2015</b>	-	-	-
Add: Change in spot element of foreign exchange forward contracts	10.37	-	10.37
Add: Changes in fair value of interest rate swaps	-	0.52	0.52
Less : Hedge ineffectiveness recognised in profit or loss under the heading 'Net loss on foreign currency transactions and translation'	0.11	(0.25)	(0.14)
Less: Amount reclassified to profit or loss under the heading 'Cost of materials consumed'	(0.83)	-	(0.83)
Less: Amount included in Property, plant and equipment	(0.61)	-	(0.61)
Less: Amount included in Capital work in progress	(8.89)	-	(8.89)

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

Rs. Crores

Risk category Derivative instrument	Foreign currency risk	Interest rate risk	Total
	Foreign exchange forward contracts	Interest rate swaps	
Less: Amount included in cost of inventory	(0.04)	-	(0.04)
Less: Deferred tax relating to above (net)	(0.04)	(0.09)	(0.13)
<b>As at March 31, 2016</b>	<b>0.07</b>	<b>0.18</b>	<b>0.25</b>
Add: Change in spot element of foreign exchange forward contracts	24.78	-	24.78
Add: Changes in fair value of interest rate swaps	-	2.00	2.00
Less : Hedge ineffectiveness recognised in profit or loss under the heading 'Net loss on foreign currency transactions and translation'	0.03	(0.21)	(0.18)
Less: Amount reclassified to profit or loss under the heading 'Cost of materials consumed'	(0.21)	-	(0.21)
Less: Amount included in Property, plant and equipment	(26.12)	-	(26.12)
Less: Amount included in Capital work in progress	0.03	-	0.03
Less: Deferred tax relating to above (net)	0.51	(0.62)	(0.11)
<b>As at March 31, 2017</b>	<b>(0.91)</b>	<b>1.35</b>	<b>0.44</b>
(ii) <u>Costs of hedging reserve</u>			
<b>As at April 1, 2015</b>	-	-	-
Add: Deferred cost of hedging - transaction related	(14.30)	-	(14.30)
Less: Included in the carrying amount of hedged item	12.80	-	12.80
Less: Deferred tax relating to above (net)	0.52	-	0.52
<b>As at March 31, 2016</b>	<b>(0.98)</b>	-	<b>(0.98)</b>
Add: Deferred cost of hedging -transaction related	(9.75)	-	(9.75)
Less: Included in the carrying amount of hedged item	10.75	-	10.75
Less: Deferred tax relating to above (net)	(0.35)	-	(0.35)
<b>As at March 31, 2017</b>	<b>(0.33)</b>	-	<b>(0.33)</b>

#### 45. Fair value hierarchy

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table presents fair value hierarchy of financial assets and financial liabilities measured at fair value on a recurring basis:

Rs. Crores

Financial assets and liabilities measured at fair value	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2017</b>				
<b>Financial assets</b>				
Financial investments in liquid mutual fund at FVTPL	107.41	-	-	107.41
Other derivatives (foreign currency options) at FVTPL	-	3.68	-	3.68
Financial investments at FVTOCI				
- unquoted equity investments	-	-	1.85	1.85
- quoted equity investments	-	-	8.96	8.96
Interest rate swaps designated in hedge accounting relationship at FVTOCI	-	2.03	-	2.03
<b>Total financial assets</b>	<b>107.41</b>	<b>5.71</b>	<b>10.81</b>	<b>123.93</b>

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

Rs. Crores				
Financial assets and liabilities measured at fair value	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>				
Foreign currency forward contracts designated in hedge accounting relationship	22.98	-	-	22.98
<b>Total financial liabilities</b>	22.98	-	-	22.98
<b>As at March 31, 2016</b>				
<b>Financial assets</b>				
Other derivatives (foreign currency options) at FVTPL	-	24.84	-	24.84
Financial investments at FVTOCI				
- unquoted equity investments	-	-	1.13	1.13
- quoted equity investments	-	-	6.75	6.75
Other derivatives (foreign currency options)	-	0.20	-	0.20
Interest rate swaps designated in hedge accounting relationship at FVTOCI	-	0.07	-	0.07
<b>Total financial assets</b>	-	25.11	7.88	32.99
<b>Financial liabilities</b>				
Foreign currency forward contracts designated in hedge accounting relationship	18.46	-	-	18.46
<b>Total financial liabilities</b>	18.46	-	-	18.46
<b>As at April 1, 2015</b>				
<b>Financial assets</b>				
Other derivatives (foreign currency options) at FVTPL	-	19.55	-	19.55
Financial investments at FVTOCI				
- unquoted equity investments	-	-	1.13	1.13
- quoted equity investments	-	-	7.36	7.36
<b>Total financial assets</b>	-	19.55	8.49	28.04
<b>Financial liabilities</b>				
Foreign currency forward contracts designated in hedge accounting relationship	10.24	-	-	10.24
Interest rate swaps designated in hedge accounting relationship	0.40	-	-	0.40
<b>Total financial liabilities</b>	10.64	-	-	10.64

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

#### 46. Asset classified as held for sale

The segment to which the 'assets held for sale' relates are as under:

Rs. Crores			
Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
- Sugar	0.44	-	-
- Others (Hariyali Kisaan Bazaar)	100.02	118.22	144.82
- Unallocated	22.37	-	-
	122.83	118.22	144.82

During the year, Ministry of Coal de-allocated the lignite block earlier allocated to the Company and consequent there to, the land purchased for lignite block is re-classified as assets held for sale and is included in the 'unallocated' business segment.

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

Assets classified as held for sale is measured at the lower of the carrying amount and fair value less costs to sell at the reporting date. The fair value of the assets held for sale is determined using level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures.

Amounts recognised in the statement of profit and loss on assets held for sale is as under:

Particulars	Rs. Crores	
	This year	Previous year
Provision for impairment in value of assets held for sale included in 'other expenses' in the statement of profit and loss	8.30	5.10
Profit (net) recognised in 'other income' in the statement of profit and loss on sale of assets held for sale	8.27	4.64

47. Based on the information available with the Company, the principal amount and interest due to Micro and small enterprise as defined under the "Micro, small and medium enterprise development act 2006" is Rs 0.82 crores (March 31, 2016 - Rs 1.19 crores; April 1, 2015 - Rs. 3.26 crores) and Rs. Nil (March 31, 2016 - Rs. Nil; April 1, 2015 - Rs. Nil) respectively.

#### 48. Transition to Ind AS - Principle and reconciliation

These consolidated financial statements for the year ended March 31, 2017, are the Group's first annual financial statements prepared in accordance with Ind AS. The accounting policies set out in note 1.4 have been applied in preparing the consolidated financial statements for the year ended March 31, 2017, comparative information presented in these consolidated financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet as at April 1, 2015 (the date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted/reclassified the amounts reported previously in consolidated financial statements prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act 2013 (The Act) and other relevant provisions of the Act (Previous GAAP) to comply with Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following notes.

##### Exemptions on first time adoption of Ind AS 101:-

(i) **Property, plant and equipment, intangible assets and investment property at deemed cost**

The Group has opted to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value and use that carrying value as its deemed cost.

(ii) **Investment in equity shares of subsidiaries and joint venture at deemed cost**

The Company has opted to measure its investment in subsidiaries and joint venture at their previous GAAP carrying value in separate financial statement and use that carrying value as deemed cost.

(iii) **Business combinations**

The Group has opted to apply Ind AS 103 'Business combination' prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

(iv) **Cumulative translation differences**

The Group has opted to transfer all cumulative translation gains and losses on foreign operations to opening retained earnings at the transition date.

(v) **Joint ventures**

The Group has opted to measure its investment in joint venture under equity method as against proportionate consolidation method followed earlier as per Previous GAAP.

(vi) **Designation of previously recognised financial instruments**

The Group has designated investments in equity instruments at fair value through other comprehensive income (FVTOCI) at the date of transition.

(vii) **Compound financial instruments**

As per Ind AS 101, the Group has opted to split compound financial instrument into separate equity and liability component which were outstanding at the date of transition.

#### Reconciliation of equity as at March 31, 2016 and April 1, 2015:

Particulars	Rs. Crores	
	As at March 31, 2016	As at April 1, 2015
<b>Equity reported under previous GAAP attributable to:</b>		
- Shareholders of the Company	2,095.63	1,858.54
- Non controlling interest	2.82	0.96
	<b>2,098.45</b>	<b>1,859.50</b>

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

Particulars	Note	Rs. Crores	
		As at March 31, 2016	As at April 1, 2015
a. Add/(less):			
Impact of hedge and derivative accounting under Ind AS 109 'Financial instruments'	i	(1.16)	0.49
Impact of measuring investments in Equity shares at fair value	ii	4.63	2.74
Processing fee on loans accounted using effective interest rate	iii	1.34	0.27
Amortization of premium on leasehold land	iv	(5.31)	(4.85)
Assets held for sale recognised at fair value	v	(23.75)	(22.56)
Deferred tax adjustment of GAAP adjustments	vi	9.05	8.23
Proposed dividend on equity shares and dividend tax thereon	vii	15.64	7.82
Shares held by trust under ESPS scheme classified to other equity	viii	(6.09)	(8.81)
Others	ix	0.32	-
Net Impact of Ind AS adjustment		(5.33)	(16.67)
<b>Equity as reported under Ind-AS attributable to:</b>			
- Shareholders of the Company		2,090.91	1,841.87
- Non controlling interest		2.21	0.96
		<b>2,093.12</b>	<b>1,842.83</b>

## Notes:

### The major reasons for adjustments in Previous GAAP numbers are as under:

#### (i) Forward exchange contracts/derivative instruments

The Group has adopted hedge accounting prospectively from transition date as per Ind AS 109. Consequently, the Company has fair valued all derivatives (including forward contracts) on transition date and difference between the fair value of such contracts and previous GAAP carrying amount have been recognised in the retained earnings in the opening Ind AS balance sheet.

#### (ii) Investment in Equity instruments at fair value through Other comprehensive income

Under previous GAAP, investments in equity instruments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments in equity instruments have been recognised in FVOCI.

#### (iii) Borrowings

Under previous GAAP, transaction costs incurred in connection with borrowings were charged to profit or loss as and when incurred. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in profit or loss over the tenure of the borrowings as part of interest expense using effective interest rate method.

#### (iv) Leasehold land

Under previous GAAP, the leasehold land was considered as part of fixed asset. As per Ind AS - 17 leasehold land has now been considered a operating lease and the premium paid on leasehold land is amortized over the period of the lease. The proportionate unamortized amount upto the date of transition is adjusted against retained earnings in the opening Ind AS balance sheet.

#### (v) Non-current assets held for sale

Under previous GAAP, non-current asset held for sale were valued at lower of cost or net realisable value considering all the asset as one disposal group and were shown under 'other current assets'. As per Ind AS - 105, these assets are measured at lower of cost or fair value on individual asset basis.

#### (vi) Deferred tax

Deferred tax on account of Ind AS adjustments on transition date are recognised in the retained earnings in the opening Ind AS balance sheet.

#### (vii) Proposed dividend on equity shares and dividend tax thereon

Under previous GAAP, dividend proposed by the Board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events and accordingly it was recognised as provision in the books of account. Under Ind AS, such dividends are



# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

recognised when the same is approved by the shareholders in the annual general meeting. Accordingly, proposed dividend earlier recognised in the same financial year is reversed and recognised in the year of approval by the shareholders in the annual general meeting.

## (viii) Shares held by Trust under ESPS scheme

The Company has given loan to a trust formed for the implementation of Employee Stock Purchase Scheme of the Company. The shares purchased out of the loan and remaining ungranted to employees under ESPS scheme is shown as part of 'Other equity'.

## (ix) Actuarial gains/losses on defined benefit obligation

The Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the actuarial gains and losses on gratuity are charged to the statement of profit and loss. Under Ind AS, such actuarial gains or losses are required to be recognised in other comprehensive income. Accordingly, actuarial losses for financial year 2015-16 amounting to Rs. 2.55 crores are re-classified from statement of profit and loss to 'other comprehensive income'. There is no impact on total equity as a result of this adjustment.

## Adjustments to the statement of cash flows

The transition from Indian GAAP to Ind-AS had no significant impact on cash flows generated by the company.

## 48.1: First time adoption of Ind AS

### Reconciliation of balance sheet

First-time Ind AS adoption reconciliation	Rs. Crores					
	As at March 31, 2016			As at April 1, 2015 (Date of transition)		
	Previous GAAP *	Effect of transition to Ind AS	Ind AS	Previous GAAP*	Effect of transition to Ind AS	Ind AS
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, Plant and equipment	1,361.22	(32.43)	1,328.79	1,370.84	(32.72)	1,338.12
Capital work -in- progress	358.00	(0.84)	357.16	59.18	(0.39)	58.79
Investment properties	-	7.18	7.18	-	7.28	7.28
Goodwill	71.93	-	71.93	68.23	-	68.23
Other intangible assets	27.60	(0.05)	27.55	4.22	(0.04)	4.18
Intangible assets under development	0.03	-	0.03	2.70	-	2.70
Financial assets						
Investments						
- Investment in a joint venture	-	20.06	20.06	-	19.40	19.40
- Other investments	3.02	5.00	8.02	5.83	2.80	8.63
Trade receivables	2.41	-	2.41	2.73	-	2.73
Loans	50.55	(40.26)	10.29	46.67	(38.03)	8.64
Other financial assets	3.57	37.21	40.78	8.74	33.60	42.34
Deferred tax assets (net)	6.08	8.39	14.47	-	4.84	4.84
Other non-current assets	92.73	12.74	105.47	40.99	14.95	55.94
<b>Total non-current assets</b>	<b>1,977.14</b>	<b>17.00</b>	<b>1,994.14</b>	<b>1,610.13</b>	<b>11.69</b>	<b>1,621.82</b>
<b>Current assets</b>						
Inventories	1,329.19	(9.19)	1,320.00	1,132.15	(11.21)	1,120.94
Financial assets						
Trade receivables	1,297.51	(10.64)	1,286.87	1,070.94	(14.15)	1,056.79
Cash and cash equivalents	34.92	(1.16)	33.76	90.13	(6.16)	83.97
Bank balances other than cash and cash equivalents	6.06	-	6.06	5.25	4.13	9.38
Loans	16.47	(5.76)	10.71	12.46	(3.18)	9.28

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

Rs. Crores

First-time Ind AS adoption reconciliation	As at March 31, 2016			As at April 1, 2015 (Date of transition)		
	Previous GAAP *	Effect of transition to Ind AS	Ind AS	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Other financial assets	13.20	31.00	44.20	18.01	22.72	40.73
Current tax assets (net)	10.02	(0.20)	9.82	17.80	(0.65)	17.15
Other current assets	195.56	(12.29)	183.27	192.50	(16.19)	176.31
<b>Total current assets</b>	<b>2,902.93</b>	<b>(8.24)</b>	<b>2,894.69</b>	<b>2,539.24</b>	<b>(24.69)</b>	<b>2,514.55</b>
Assets classified as held for sale	141.96	(23.74)	118.22	167.37	(22.55)	144.82
<b>Total assets</b>	<b>5,022.03</b>	<b>(14.98)</b>	<b>5,007.05</b>	<b>4,316.74</b>	<b>(35.55)</b>	<b>4,281.19</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
Equity Share capital	32.64	-	32.64	32.64	-	32.64
Other Equity	2,065.81	(5.33)	2,060.48	1,826.86	(16.67)	1,810.19
<b>Total - Equity</b>	<b>2,098.45</b>	<b>(5.33)</b>	<b>2,093.12</b>	<b>1,859.50</b>	<b>(16.67)</b>	<b>1,842.83</b>
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
Financial Liabilities						
Borrowings	259.01	(1.47)	257.54	301.21	(0.27)	300.94
Other financial liabilities	6.27	-	6.27	7.47	-	7.47
Provisions	166.54	(1.80)	164.74	148.33	(1.69)	146.64
Deferred tax liabilities (net)	-	-	-	22.11	(2.92)	19.19
Other non-current liabilities	33.19	(32.19)	1.00	29.00	(28.98)	0.02
<b>Total non-current liabilities</b>	<b>465.01</b>	<b>(35.46)</b>	<b>429.55</b>	<b>508.12</b>	<b>(33.86)</b>	<b>474.26</b>
<b>Current liabilities</b>						
Financial Liabilities						
Borrowings	729.54	(2.44)	727.10	338.88	(9.42)	329.46
Trade payables	1,176.37	(27.18)	1,149.19	1,119.98	(6.54)	1,113.44
Other financial liabilities	192.12	60.77	252.89	161.78	39.57	201.35
Provisions	44.67	(16.03)	28.64	34.40	(8.10)	26.30
Other current liabilities	307.03	10.69	317.72	286.16	(0.53)	285.63
Current tax liabilities (net)	1.75	-	1.75	2.33	-	2.33
<b>Total current liabilities</b>	<b>2,451.48</b>	<b>25.81</b>	<b>2,477.29</b>	<b>1,943.53</b>	<b>14.98</b>	<b>1,958.51</b>
Liabilities associated with assets classified as held for sale	7.09	-	7.09	5.59	-	5.59
<b>Total equity and liabilities</b>	<b>5,022.03</b>	<b>(14.98)</b>	<b>5,007.05</b>	<b>4,316.74</b>	<b>(35.55)</b>	<b>4,281.19</b>

\* The previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## 48.2: First time adoption of Ind AS

### Reconciliation of total comprehensive income

Rs. Crores

	As at March 31, 2016		
	Previous GAAP *	Effect of transition to Ind AS	Ind AS
Revenue from operations	6,097.38	(67.15)	6,030.23
Other income	38.59	2.10	40.69
<b>Total income</b>	<b>6,135.97</b>	<b>(65.05)</b>	<b>6,070.92</b>

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

Rs. Crores

	As at March 31, 2016		
	Previous GAAP *	Effect of transition to Ind AS	Ind AS
<b>Expenses</b>			
Cost of materials consumed	1,781.46	(28.50)	1,752.96
Purchases of stock-in-trade	1,877.40	(12.80)	1,864.60
Change in inventories of finished goods, stock-in-trade and work-in-progress	(205.69)	(2.55)	(208.24)
Employee benefits expense	494.39	(6.73)	487.66
Excise duty on sale of goods	256.19	(6.42)	249.77
Finance costs	85.83	(0.42)	85.41
Depreciation and amortisation expense	98.64	(0.69)	97.95
Other expenses	1,388.62	(10.09)	1,378.53
<b>Total Expenses</b>	<b>5,776.84</b>	<b>(68.20)</b>	<b>5,708.64</b>
Profit before tax	<b>359.13</b>	<b>3.15</b>	<b>362.28</b>
<b>Tax expense</b>			
- Current tax	64.72	(0.16)	64.56
- Deferred tax	(2.81)	0.10	(2.71)
<b>Profit after tax</b>	<b>297.22</b>	<b>3.21</b>	<b>300.43</b>
<b>Share of profit of Joint Venture</b>	-	0.71	0.71
<b>Non controlling interest</b>	-	0.61	0.61
<b>Net Profit</b>	<b>297.22</b>	<b>4.53</b>	<b>301.75</b>
<b>Other Comprehensive income</b>			
Items that will not be re-classified to profit and loss	-	(3.15)	(3.15)
Income tax related Items that will not be re-classified to profit and loss	-	0.88	0.88
Items that may be re-classified to profit and loss	-	1.16	1.16
Income tax related Items that may be re-classified to profit and loss	-	0.38	0.38
<b>Total other comprehensive income</b>	-	<b>(0.73)</b>	<b>(0.73)</b>
<b>Total Comprehensive Income</b>	<b>297.22</b>	<b>3.80</b>	<b>301.02</b>

\* The previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

#### 49. Disclosure on specified bank notes (SBNs)

The details of Specified Bank Notes (SBNs) or other denomination notes (as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below:

Particulars	Rs. Crores		
	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	1.41	0.13	1.54
(+) Permitted receipts <sup>1</sup>	27.57	21.41	48.98
(-) Permitted payments	-	2.13	2.13
(-) Amount deposited in Banks	28.98	18.37	47.35
<b>Closing cash in hand as on December 30, 2016</b>	<b>-</b>	<b>1.04</b>	<b>1.04</b>

1. Permitted receipts for SBNs represents amount received from sale of fuel at petrol pumps.

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

## 50. Disclosures related to government grant

The government grant/government assistance recognised are as under:

Nature of Grant/Assistance	Income/Expense head	Rs. Crores	
		This year	Previous year
Cane subsidy by Govt of U.P. for cane crush for sugar season 2014-15	Cost of material consumed	-	85.54
Production subsidy on cane crushed for sugar season 2015-16	Cost of material consumed	12.69	-
Benefit of loan at concessional rate of interest	Finance cost	4.08	4.55

## 51. Details of pre-operative expenses pending allocation included under capital work-in-progress in note 2.1 is as under:

Particulars	Rs. Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Finance cost	14.09	6.14	-
Salaries, wages etc	1.18	1.74	-
Raw material consumption	2.24	-	-
Insurance	0.01	0.65	-
Depreciation	0.01	0.04	0.04
Power, fuel etc	0.19	0.18	-
Miscellaneous expenses	2.37	2.62	0.35
	20.09	11.37	0.39
Add: Brought forward from previous year	14.22	10.82	10.43
<b>Total</b>	<b>34.31</b>	<b>22.19</b>	<b>10.82</b>
Less: Capitalised during the year	(30.41)	-	-
Written off during the year	-	(7.97)	-
Transferred to capital work-in-progress	3.90	14.22	10.82

## 52. Proposed dividend

The Board of Directors, in its meeting held on May 1, 2017, have recommended a final dividend of Rs. 0.80 per equity share of Rs. 2/- each aggregating to Rs. 15.64 crores (including corporate dividend tax) for the financial year ended March 31, 2017. The recommendation is subject to the approval of shareholders at the Annual General Meeting to be held on August 1, 2017.

The Board of Directors, in its meeting held on May 10, 2016, recommended a final dividend of Rs. 0.40 per equity share of Rs. 2/- each for the financial year ended March 31, 2016 and the same was approved by the shareholders at the Annual General Meeting held on August 9, 2016. This resulted in outflow of Rs. 7.82 crores (including corporate dividend tax).

## 53. Donation includes Rs. 3 crores (2015-16 - Rs. Nil) to Satya Electoral Trust as political contribution.

# Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

54. Statement containing salient features, pursuant to Schedule III of the Companies Act 2013, of subsidiaries and joint ventures as per standalone financial statements of each entity for:

(i) Financial year ended March 31, 2017

Name of the entity in the Group	Country of incorporation	% of voting power	Net Assets		Share in Profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount (Rs. Crores)	As % of consolidated profit / (loss)	Amount (Rs. Crores)	As % of consolidated other comprehensive income	Amount (Rs. Crores)	As % of consolidated total comprehensive income	Amount (Rs. Crores)
<b>Parent</b>										
DCM Shriram Limited			100.41%	2,540.13	94.63%	522.07	208.66%	(7.47)	93.89%	514.60
<b>Subsidiaries</b>										
<b>Indian</b>										
DCM Shriram Credit and Investments Limited	India	100%	0.39%	9.86	0.00%	(0.01)	(62.09%)	2.22	0.40%	2.21
Bioseed India Limited	India	100%	-	-	0.00%	(0.01)	-	-	0.00%	(0.01)
DCM Shriram Infrastructure Limited	India	100%	0.27%	6.90	(0.40%)	(2.19)	-	-	(0.40%)	(2.19)
Fenesta India Limited	India	100%	0.01%	0.29	0.02%	0.10	-	-	0.02%	0.10
Shri Ganpati Fertilizers Limited	India	81.41%	(0.87%)	(22.05)	0.65%	3.60	-	-	0.66%	3.60
Hariyali Rural Ventures Limited	India	100%	(0.01%)	(0.85)	(0.20%)	(1.10)	-	-	(0.20%)	(1.10)
DCM Shriram Aqua Foods Limited	India	100%	0.13%	3.17	0.00%	0.02	-	-	0.00%	0.02
Shriram Bioseed Ventures Limited	India	100%	0.85%	21.56	(0.41%)	(2.27)	-	-	(0.41%)	(2.27)
<b>Foreign</b>										
Bioseeds Limited	Mauritius	100%	4.75%	120.27	0.28%	1.53	-	-	0.28%	1.53
Bioseed Holdings PTE Limited	Singapore	100%	1.44%	36.54	(1.05%)	(5.82)	-	-	(1.06%)	(5.82)
Bioseed Research Philippines Inc.	Philippines	100%	(1.56%)	(39.42)	(2.88%)	(15.90)	-	-	(2.90%)	(15.90)
Bioseed Vietnam Limited	Vietnam	100%	0.59%	14.86	(4.07%)	(22.46)	-	-	(4.10%)	(22.46)
PT. Shriram Seed Indonesia	Indonesia	95%	0.43%	10.92	(1.65%)	(9.13)	-	-	(1.67%)	(9.13)
PT. Shriram Genetics Indonesia	Indonesia	100%	(0.14%)	(3.45)	(0.11%)	(0.60)	-	-	(0.11%)	(0.60)
Shriram Bioseed (Thailand) Limited	Thailand	99.99%	0.02%	0.46	0.02%	0.09	-	-	0.02%	0.09
Bioseed Research USA Inc.	USA	100%	0.00%	0.08	0.00%	(0.01)	-	-	(0.18%)	(0.01)
			(0.08%)	(2.08)	(0.12%)	(0.68)	-	-	(0.12%)	(0.68)
<b>Minority Interest</b>										
<b>Joint Venture (Indian)</b>										
Shriram Axiall Private Limited	India	50%	0.79%	19.97	0.01%	0.03	3.63%	(0.12)	(0.02%)	(0.09)
<b>Total</b>				2,717.16		467.26		(5.37)		461.89
Add/(less): consolidation adjustments				(187.35)		84.42		1.79		86.21
<b>Total after consolidation adjustments</b>				<b>2,529.81</b>		<b>551.68</b>		<b>(3.58)</b>		<b>548.10</b>

## Notes to the Consolidated Financial Statements For The Year Ended March 31, 2017

## (ii) Financial year ended March 31, 2016

Name of the entity in the Group	Country of incorporation	% of voting power	Net Assets		Share in Profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount (Rs. Crores)	As % of consolidated profit / (loss)	Amount (Rs. Crores)	As % of consolidated other comprehensive income	Amount (Rs. Crores)	As % of consolidated total comprehensive income	Amount (Rs. Crores)
<b>Parent</b>										
DCM Shriram Limited			102.10%	2,136.99	116.98%	352.99	323.29%	(2.36)	116.48%	350.63
<b>Subsidiaries</b>										
<b>Indian</b>										
DCM Shriram Credit and Investments Limited	India	100%	0.22%	4.65	(0.02%)	(0.06)	82.75%	(0.58)	(0.21%)	(0.64)
Bioseed India Limited	India	100%	0.00%	0.01	-	-	-	-	-	-
DCM Shriram Infrastructure Limited	India	100%	0.42%	8.82	(0.66%)	(1.99)	-	-	(0.66%)	(1.99)
Fenesta India Limited	India	100%	0.01%	0.19	0.01%	0.03	-	-	0.01%	0.03
Shri Ganpati Fertilizers Limited	India	81.41%	(1.23%)	(25.65)	(1.08%)	(3.26)	-	-	(1.08%)	(3.26)
Hariyali Rural Ventures Limited	India	100%	0.01%	0.25	(0.01%)	(0.04)	-	-	(0.01%)	(0.04)
DCM Shriram Aqua Foods Limited	India	100%	0.15%	3.15	0.00%	0.01	-	-	0.00%	0.01
Shriram Bioseed Ventures Limited	India	100%	1.14%	23.82	0.04%	0.12	-	-	0.04%	0.12
<b>Foreign</b>										
Bioseeds Limited	Mauritius	100%	5.80%	121.37	0.12%	0.36	-	-	0.12%	0.36
Bioseed Holdings PTE Limited	Singapore	100%	2.06%	43.09	(0.76%)	(2.28)	-	-	(0.76%)	(2.28)
Bioseed Research Philippines Inc.	Philippines	100%	(1.56%)	(32.69)	(7.83%)	(23.63)	-	-	(7.85%)	(23.63)
Bioseed Vietnam Limited	Vietnam	100%	(1.22%)	(25.59)	(4.34%)	(13.09)	-	-	(4.35%)	(13.09)
PT. Shriram Seed Indonesia	Indonesia	95%	0.96%	20.17	(1.74%)	(5.26)	-	-	(1.75%)	(5.26)
PT. Shriram Genetics Indonesia	Indonesia	100%	(0.14%)	(2.96)	(0.19%)	(0.57)	-	-	(0.19%)	(0.57)
Shriram Bioseed (Thailand) Limited	Thailand	99.99%	0.02%	0.37	(0.71%)	(2.15)	-	-	(0.71%)	(2.15)
Bioseed Research USA Inc.	USA	100%	0.00%	0.09	0.00%	(0.01)	-	-	0.00%	(0.01)
<b>Minority Interest</b>			(0.11%)	(2.21)	0.20%	0.61	-	-	0.20%	0.61
<b>Joint Venture (Indian)</b>										
Shriram Axiall Private Limited	India	50%	0.96%	20.06	0.24%	0.71	12.33%	(0.06)	0.22%	0.65
<b>Total</b>				2,293.93		302.49		(3.00)		299.49
Add/(less): consolidation adjustments				(200.81)		(0.74)		2.27		1.53
<b>Total after consolidation adjustments</b>				<b>2,093.12</b>		<b>301.75</b>		<b>(0.73)</b>		<b>301.02</b>

## 55. Particulars of sales

Description	Rs. Crores	
	2016-17	2015-16
Urea	744.35	796.12
PVC resins	431.03	413.46
Caustic soda	1,019.73	756.53
Chlorine	(63.14)	8.37
Marketable Calcium carbide	116.16	110.89
D.A.P.	(1.20)	552.04
M.O.P.	(2.03)	141.31
Super Phosphate	446.90	517.98
Cement	160.61	153.81
Sugar	1,375.22	787.98
Molasses	76.57	62.25
UPVC Windows	280.96	234.45
Power Sale	89.03	54.16
Petrol / Diesel	348.19	369.43
Other sales/stocks and adjustments	1064.03	1025.17
<b>Total</b>	<b>6,086.40</b>	<b>5,983.93</b>

For and on behalf of the Board of Directors

Sameet Gambhir  
Company SecretaryJ.K. Jain  
Chief Financial OfficerPradeep Dinodia  
Director  
DIN: 00027995Ajay S. Shriram  
Chairman & Sr. Managing Director  
DIN: 00027137New Delhi  
May 1, 2017

# Notice

**Registered Office:**  
1<sup>st</sup> Floor, Kanchenjunga Building,  
18, Barakhamba Road, New Delhi-110001  
Tel : 011-23316801, Fax : 011-23318072  
CIN : L74899DL1989PLC034923  
E-mail : response@dcmshriram.com  
Website : www.dcmshriram.com

Notice is hereby given that the Twenty Eighth Annual General Meeting (AGM) of DCM Shriram Limited will be held on Tuesday, the 1<sup>st</sup> August, 2017 at 11.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi-110010 to transact the following businesses:

## Ordinary Business:

- To consider and adopt:
  - the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2017, the reports of the Board of Directors and Auditors thereon; and
  - the audited consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2017.
- To declare a final dividend and to note the payment of interim dividends on Equity Shares for the financial year 2016-17.
- To appoint a Director in place of Mr. Ajit S. Shriram (DIN 00027918), who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Dr. N.J. Singh (DIN 01893202), who retires by rotation and being eligible, offers himself for re-appointment.
- To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable law, Price Waterhouse Chartered Accountants LLP (FRN No.012754N/ N500016), be and is hereby appointed as Statutory Auditor of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of 33<sup>rd</sup> Annual General Meeting, subject to ratification by the Members at every Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors or a Committee thereof or its other delegate.”

## Special Business:

- To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable law, the remuneration payable to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost accounting records of the Company for the financial year 2017-18, as detailed in the Explanatory Statement to this Notice, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors or Committee thereof or its other delegate be and are hereby authorized to do all such acts, deeds and things as may be deemed appropriate in this connection.”
- To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable law, Justice (Retd.) Vikramajit Sen (DIN 00866743), who was appointed as Additional Director of the Company by the Board w.e.f. 9.8.2016, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, the appointment of Justice (Retd.) Vikramajit Sen, as an Independent Director for 5 (Five) consecutive years w.e.f. 9.8.2016, be and is hereby approved.”
- To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable law, Mr. Pravesh Sharma (DIN 02252345), who was appointed as Additional Director of the Company by the Board w.e.f. 9.8.2016, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, the appointment of Mr. Pravesh Sharma, as an Independent Director for 5 (Five) consecutive years w.e.f. 9.8.2016, be and is hereby approved.”
- To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section(s) 88, 94 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, consent of the Company be and is hereby accorded for maintaining the statutory registers viz. Register of Members, Debenture holders & other Security holders including index of the names etc. at any place within the NCT of Delhi, being the city where the Registered Office of the Company is situated.

RESOLVED FURTHER THAT the Board of Directors or Committee thereof or its other delegate be and are hereby authorized to do all such acts, deeds and things as may be deemed appropriate in this connection.”

By Order of the Board

New Delhi  
May 01, 2017

Sameet Gambhir  
Company Secretary  
Membership No.: F4658



**Notes:**

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. **A Member entitled to attend and vote is entitled to appoint a proxy/proxies to attend and vote instead of himself and the proxy/proxies need not be a Member of the Company. A Proxy Form is attached herewith.**  
**The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.**  
 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 a person cannot act as a proxy for any other Member.  
 Any Member entitled to vote on the resolution(s), may request the Company, in writing, at least three days before the commencement of AGM for the inspection of Proxies. The same shall be made available for inspection during the business hours of the Company from the period beginning twenty-four hours before the time fixed for commencement of AGM and ending with the conclusion of AGM.
3. The Share Transfer Books and the Register of Members of the Company will remain closed from 25.7.2017(Tuesday) to 1.8.2017(Tuesday) (both days inclusive) for annual closing and determining the entitlement of the shareholders to the final dividend for 2016-17, if declared by the Members.
4. Details under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the AGM, form integral part of the Notice. The Directors have furnished the requisite declarations in regard to their appointment.
5. In terms of Notification issued by the Securities and Exchange Board of India (SEBI), Equity Shares of the Company are under compulsory demat trading by all investors w.e.f. 21<sup>st</sup> March, 2000. Members are, therefore, advised to dematerialize their shareholding to avoid inconvenience in trading in the shares in the Company.
6. Electronic Copy of Notice of 28<sup>th</sup> Annual General Meeting of the Company, inter-alia, indicating the manner of electronic voting ('e-voting') along with Explanatory Statement, Attendance Slip, Proxy Form and Route Map is being sent to all the Members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes, unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the aforesaid notice/other documents are being sent in the permitted mode.
7. Members may also note that the Notice of 28<sup>th</sup> AGM, Attendance Slip, Proxy Form, Route Map, polling/ballot paper and the Annual Report for 2017 are available on the Company's website i.e. [www.dcmshriram.com](http://www.dcmshriram.com) for the download.
8. Members holding shares in Physical form, are requested to intimate their change in address/Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to M/s. MCS Share Transfer Agent Ltd., the Registrar and Share Transfer Agent (RTA) at F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 along with a cancelled cheque with preprinted name of the Shareholder and proof of change of address (old and new for both change of address and bank mandate), as applicable. Beneficial owners holding shares in electronic form are requested to intimate their change in address/Bank Mandate/NECS details, if any, to their respective Depository Participants (DPs) in order to get the same registered.
9. **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.**
10. In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, application for : (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 has to be accompanied with a self-attested copy of their Income Tax PAN Cards along with the other required documents to the RTA irrespective of the value of the transaction. Further in case of registration of transfer of shares in physical form, in addition to the necessary transfer documents, a self attested copy of Income Tax PAN Card of both transferor(s) and transferee(s) shall also be furnished to the Company. Members are requested to bear in mind the aforesaid requirements while communicating with the Company or RTA for any of the purposes stated above.
11. Section 124 and other applicable provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the Rules”) as amended from time to time, mandates that the dividend that has remained unpaid/unclaimed for a period of seven years be transferred to the Investor Education and Protection Fund (the Fund), established by the Central Government.  
 In view of the said provisions, the Company has during the Financial Year 2016-17 transferred the unpaid final dividend for the financial year 2008-09 and unpaid interim dividend for the financial year 2009-10 to the Fund, for which no claim lies against the Company. The Company has also uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 9.8.2016 (date of last Annual General Meeting) on the website of the Company ([www.dcmshriram.com](http://www.dcmshriram.com)). Members of the Company who have not yet encashed their final dividend for the financial year 2009-10 onwards are requested to write to the Company immediately.

Further, according to the Rules, the shares in respect of which dividends has not been paid or claimed by the shareholders for a period of seven consecutive years or more shall also be transferred to the said fund/dealt with as per the procedure to be prescribed by the appropriate Authority.

12. In terms of Section 72 of the Companies Act, 2013 and related rules thereunder, Member(s) of the Company may nominate a person to whom the Shares held by him/her shall vest in the event of his/her death. Member(s) desirous of availing this facility may submit nomination in the prescribed Form SH-13 to the Company/RTA in case shares are held in Physical form, and to their respective DP, if held in electronic form.
13. **Members are requested to register/update their e-mail addresses for receiving all communications including Annual Reports, Notices, Circulars, etc. from the Company electronically.**
14. **Appointment/Re-appointment of Directors**

The information, as required under the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, in relation to the appointment/re-appointment of Directors is as under:

<b>Name of the Director</b>	<b>Mr. Ajit S. Shriram</b>	<b>Dr. N.J Singh</b>	<b>Justice (Retd.) Vikramajit Sen</b>	<b>Mr. Pravesh Sharma</b>
<b>Date of Birth &amp; Age</b>	3.10.1967 (49 Years)	29.11.1953 (63 Years)	31.12.1950 (66 Years)	7.7.1959 (57 Years)
<b>Nationality</b>	Indian	Indian	Indian	Indian
<b>Date of Appointment on the Board of the Company</b>	2.5.2001	20.11.2007	9.8.2016	9.8.2016
<b>Qualification</b>	B.Com, MBA	M.Sc., Ph.D.	LL.B	IAS (Retd.)
<b>Experience</b>	26 Years	37 Years	42 Years	34 Years
<b>Expertise in Functional Areas</b>	General Management, Finance, Strategy, Agri Business and Sugar Industry	Environment, Health, Safety, Quality Systems, Sustainability, Biodiversity, Food Safety, Energy, Recourse Management including Rainwater harvesting & solar power.	Civil & Commercial matters and Arbitration	Food Security, Agriculture, Rural finance, Rural development and Natural Resources Management.
<b>Directorships held in other Companies</b>	1. DCM Shriram Credit and Investments Ltd. 2. Hariyali Rural Ventures Ltd. 3. Fenesta India Ltd. 4. Hariyali Kisaan Bazaar Ltd. 5. DCM Shriram Infrastructure Ltd.. 6. Ajit Shriram Facilities Private Ltd.. 7. DCM Shriram Foundation. 8. Shridhar Shriram Foundation. 9. SRCC Development Foundation. 10. Indian Sugar Exim Corporation Ltd.	Shriram Axiall Pvt. Ltd.	BSE Limited	1. Nabkisan Finance Limited 2. Shambhavi Tech Farms Private Limited

<b>Chairman/Member of the Committee(s) of the Board of Directors of the Company and other listed entities</b>	<b><u>DCM Shriram Ltd.</u></b> <u>Member</u> <ul style="list-style-type: none"> <li>- Corporate Social Responsibility Committee</li> <li>- Stakeholders Relationship Committee</li> <li>- Board Finance Committee</li> </ul> <b><u>Shriram Bioseed Ventures Ltd.</u></b> <u>Member</u> <ul style="list-style-type: none"> <li>- Board Audit Committee</li> <li>- Nomination, Remuneration and Compensation Committee</li> </ul>	NIL	<b><u>DCM Shriram Ltd.</u></b> <u>Member</u> <ul style="list-style-type: none"> <li>- Corporate Social Responsibility Committee</li> </ul> <b><u>BSE Ltd.</u></b> <u>Member</u> <ul style="list-style-type: none"> <li>- Disciplinary Action Committee</li> <li>- Defaulters Committee</li> <li>- Independent Oversight Committee</li> <li>- Sub Committee for Monitoring Compliance for suggestions given by SEBI</li> <li>- Arbitration Committee</li> <li>- Listing Committee</li> </ul>	<b><u>DCM Shriram Ltd.</u></b> <u>Member</u> <ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Corporate Social Responsibility Committee</li> </ul>
<b>Number of shares held in the Company</b>	5,95,580	5,000	NIL	NIL
<b>Number of Board Meetings attended during the year</b>	4	4	1	3
<b>Relationship with other Directors, Manager and other Key Managerial Personnel</b>	Brother of Mr. Ajay S. Shriram (Chairman and Senior Managing Director & KMP) & Mr. Vikram S. Shriram (Vice Chairman and Managing Director)	NIL	NIL	NIL

15. 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 as also the signature of the said representative duly attested by the Company Secretary or Director of the Company, to attend and vote on their behalf at the AGM.
16. In case of joint Members attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and related rules thereunder and Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 and related rules thereunder will be available for inspection by Members of the Company at the venue of the AGM.
18. As per Regulation 13 of the SEBI (Share Based Employee Benefits) Regulations, 2014, a certificate issued by the Statutory Auditors of the Company, certifying the implementation of the DCM Shriram Employee Stock Purchase Scheme in accordance with the said Regulations, will be available for inspection by Members of the Company at the venue of the AGM.
19. Relevant documents referred to in the Annual Report including AGM Notice and Explanatory Statement are open for inspection by the Members at the Registered Office of the Company on all working days during 11.00 A.M. to 1.00 P.M. up to the date of the Meeting and also at the AGM Venue during AGM.

20. The route map for reaching the venue of the AGM is attached for the ready reference.

**21. Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 (the Act) and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to the Members to cast their votes, on the resolutions proposed to be considered at AGM, by electronic voting system from a place other than venue of the AGM (“remote e-voting”) arranged by National Securities Depository Limited (NSDL).
- II. The facility for voting through polling/ballot paper will be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting will be able to exercise their right at the AGM through polling/ballot paper.
- III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend and participate in the AGM but shall not be entitled to cast their vote again.
- IV. Mr. Sanjay Grover of M/s. Sanjay Grover & Associates, Practising Company Secretaries (Membership No. - FCS-4223, CP No.3850) Company Secretary in Practice, has been appointed as Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- V. The remote e-voting period shall commence on 29.7.2017 (9.00 A.M.) and ends on 31.7.2017 (5.00 P.M.). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 26.7.2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- VI. The manner and process of remote e-Voting are as under:

- A. In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participants(s)] :
  - (i) Open email and open PDF file viz; “remote e-voting .pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
  - (iii) Click on Shareholder - Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select “EVEN” (E-Voting Event Number) of “DCM Shriram Limited”.
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - (x) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  - (xi) Upon confirmation, the message “Vote cast successfully” will be displayed.
  - (xii) Once you have voted on the Resolution, you will not be allowed to modify your vote.
  - (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [sanjaygrover7@gmail.com](mailto:sanjaygrover7@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s)] :
  - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) of 'A' above, to cast vote.

- VII. In case of any queries/grievance, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or contact Mr. Amarjit 011-41406149 (E-mail : [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)) or Mr. Amit Mehra, Jt. Manager (Co. Law)/Mr. Y.K. Gupta, Manager (Co. Law) at 011-23316801 (E-mails : [amitmehra@dcmshriram.com](mailto:amitmehra@dcmshriram.com) / [ykgupta@dcmshriram.com](mailto:ykgupta@dcmshriram.com)). If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 26.7.2017.
- X. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 26.7.2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Registrar and Transfer Agent (RTA) of the Company.
- XI. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through polling/ballot paper.
- XII. The Chairman shall, at the AGM, at the end of discussion allow voting on all the resolutions, with the assistance of Scrutinizer, by use of “Ballot Paper” for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIII. The Scrutinizer will after the conclusion of voting at the AGM, will first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than 48 hours from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIV. The Results declared along with the report of the Scrutinizer will be placed on the website of the Company [www.dcmshriram.com](http://www.dcmshriram.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results will also be immediately submitted to the BSE Limited, Mumbai & National Stock Exchange of India Ltd., Mumbai.
- XV. 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.

#### **EXPLANATORY STATEMENT**

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

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

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Bahadur Murao & Co., Cost Accountants, New Delhi (FRN: 000008) and M/s. J.P. Sarda & Associates, Cost Accountants, Kota (FRN: 000289) to audit the cost accounting records of the Company at a total remuneration upto Rs. 4.20 Lakhs plus applicable taxes and out of pocket expenses, if any.

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 is required to be ratified by the Members of the Company.

Accordingly, confirmation of the Members is being sought by passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

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

On the basis of recommendation of Nomination, Remuneration and Compensation Committee of the Company, Justice (Retd.) Vikramajit Sen, was appointed on the Board of the Company as an Additional Director under the category of Independent Director w.e.f. 9.8.2016. 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 Companies Act, 2013 and has given his consent to act as a Director.

The Company has also received declaration from Justice (Retd.) Vikramajit Sen that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In the opinion of the Board, Justice (Retd.) Vikramajit Sen fulfills the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and the SEBI Listing Regulations.

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

Copy of the terms and conditions of appointment of Justice (Retd.) Vikramajit Sen, an Independent Director, shall be available for inspection without any fee by the Members at the Registered Office of the Company during 11.00 A.M. to 1.00 P.M. The relevant details of Justice (Retd.) Vikramajit Sen as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings are covered in point no. 14 of this Notice.

Except Justice (Retd.) Vikramajit Sen and his relatives, no other Director/Key Managerial Person(s) or their relative(s) is concerned or interested, financially or otherwise, in the Resolution.

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

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

On the basis of recommendation of Nomination, Remuneration and Compensation Committee of the company, Mr. Pravesh Sharma, was appointed on the Board of the Company as an Additional Director under the category of Independent Director w.e.f. 9.8.2016. 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 Companies Act, 2013 and has given his consent to act as a Director.

The Company has also received declaration from Mr. Pravesh Sharma that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In the opinion of the Board, Mr. Pravesh Sharma fulfills the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and the SEBI Listing Regulations.

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

Copy of the terms and conditions of appointment of Mr. Pravesh Sharma, an Independent Director, shall be available for inspection without any fee by the Members at the Registered Office of the Company during 11.00 A.M. to 1.00 P.M. The relevant details of Mr. Pravesh Sharma as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings are covered in point no. 14 of this Notice.

Except Mr. Pravesh Sharma and his relatives, no other Director/Key Managerial Person(s) or their relative(s) is concerned or interested, financially or otherwise, in the Resolution.

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

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

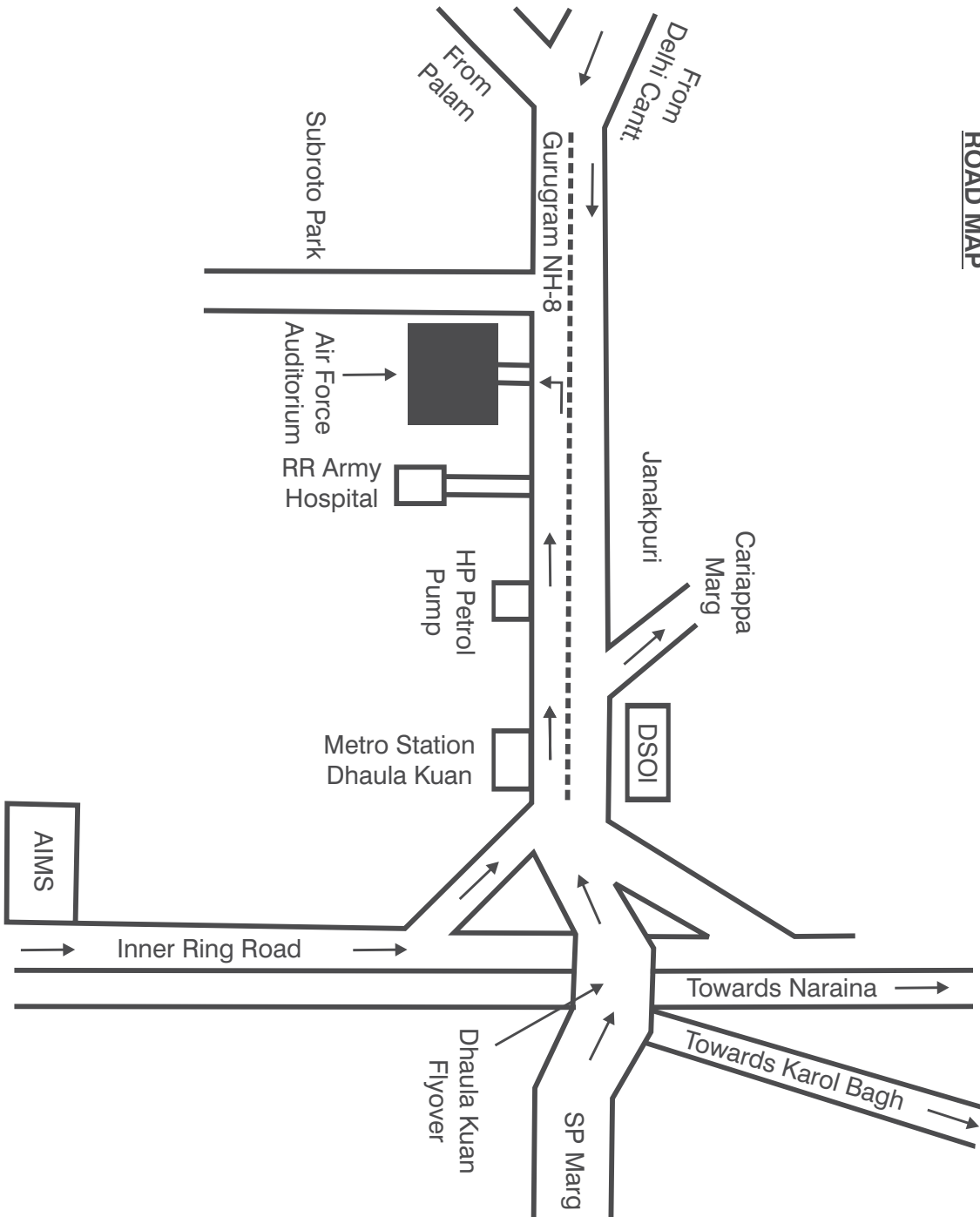
Under Section(s) 88, 94 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, approval of the Members is required to keep statutory registers viz. Register of Members, Debenture holders & other Security holders including index of the names etc. at the place other than the Registered Office of the Company.

Your Directors seek the approval for keeping the above registers etc. at any place within NCT of Delhi, being the city of Registered Office of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

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

**AGM VENUE  
AIR FORCE AUDITORIUM  
ROAD MAP**



**Nearest Landmark: Dhauila Kuan Metro Station.**



