



DCM SHRIRAM

DCM SHRIRAM INDUSTRIES LTD.

Annual Report 2014-15

DCM SHRIRAM INDUSTRIES LIMITED

Board of Directors	Shri Tilak Dhar	Chairman and Managing Director
	Shri Alok B. Shriram	Dy. Managing Director
	Shri Madhav B. Shriram	Whole-Time Director
	Shri K.N. Rao	Director & CEO (Rayons)
	Shri P.R. Khanna	
	Shri S.B. Mathur	
	Shri Ravinder Narain	
	Shri S.C. Kumar	
	Shri C. Vikas Rao	
	Smt. Kavitha Dutt Chitturi	
Principal Executives	Shri B.P. Khandelwal	President
	Shri G. Kumar	Advisor to CMD
	Shri Anil Gujral	Chief Executive Officer (Chemicals & Alcohol)
	Shri N.K. Jain	Chief Financial Officer
	Shri P.V. Bakre	Sr. Vice President
Company Secretary	Shri Y.D. Gupta	Sr. General Manager (Law & Taxation)
Bankers	State Bank of India	
	Punjab National Bank	
	Oriental Bank of Commerce	
	State Bank of Bikaner & Jaipur	
	State Bank of Hyderabad	
	IDBI Bank Ltd.	
	Karnataka Bank Ltd.	
	Ghaziabad Zila Sahkari Bank Ltd.	
	Bijnor Zila Sahkari Bank Ltd.	
	Meerut Zila Sahkari Bank Ltd.	
	Lakhimpur Kheri Zila Sahkari Bank Ltd.	
Auditors	A.F. Ferguson & Co.	
	New Delhi	
Registered Office	Kanchenjunga Building, 6th Floor, 18, Barakhamba Road, New Delhi - 110 001	CIN : L74899DL1989PLC035140 Tel. No. : (011) 2375 9300 Fax No. : (011) 2335 0765 e-mail : dsil@dcmsr.com Website : http://www.dcmsr.com

DCM SHRIRAM INDUSTRIES LIMITED

Registered Office : Kanchenjunga Building, 6th Floor, 18, Barakhamba Road, New Delhi - 110 001.

NOTICE

The 24th Annual General Meeting of the Company will be held on Thursday, the 24th September, 2015 at 10.00 A.M. at the Kamani Auditorium, 1, Copernicus Marg (Near Mandi House), New Delhi- 110 001 for transacting the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31st March, 2015.
3. To appoint a director in place of Shri K.N. Rao (holding DIN 06730043), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED that Messrs A.F. Ferguson & Co., Chartered Accountants (Regn.No.112066W), be and are hereby re-appointed auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, at a remuneration to be fixed by the Board of Directors on the recommendation of the Audit Committee, plus service tax payable thereon and reimbursement of traveling and other incidental expenses, if any, incurred by them in connection with the audit."

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, the appointment of Shri C. Vikas Rao (holding DIN 06900458), as an Independent Director of the Company with effect from 14th August, 2014 for holding office for a term not exceeding 5 consecutive years from the date of appointment, be and is hereby approved."

6. To consider and, if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, the appointment of Smt. Kavitha Dutt Chitturi (holding DIN 00139274), as an Independent Director of the Company with effect from 2nd February, 2015 for holding office for a term not exceeding 5 consecutive years from the date of appointment, be and is hereby approved."

7. To consider and, if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014 the remuneration of Rs.1.10 lacs and Rs.1.21 lacs fixed by the Board of Directors on recommendation of the Audit Committee for audit of the cost records of the Company by M/s Ramanath Iyer & Co., for the years 2014-15 and 2015-16, respectively, be and is hereby ratified and confirmed."

8. To consider and, if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

“RESOLVED that pursuant to Section 73, 76 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 consent of the Company be and is hereby accorded to the Board of Directors to invite and accept unsecured deposits from members and public as per Scheme approved by the Board of Directors from time to time.

RESOLVED further that the total of such deposits together with the existing deposits and the long term borrowings shall not exceed the limit under Section 180(1)(c) of the Companies Act, 2013”.

By order of the Board
For DCM SHRIRAM INDUSTRIES LIMITED



(Y.D. Gupta)

Company Secretary & Sr. General Manager
(Law & Taxation)

New Delhi

May 29, 2015

NOTES:

1. Explanatory Statement, as required under Section 102 of the Companies Act, 2013, is attached.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 17.9.2015 to 24.9.2015 (both days inclusive).
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IS ATTACHED. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.

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 companies, societies, etc. must be supported by an appropriate resolution / authority, as applicable.

4. Dividend of Re.1.00 per share of Rs.10 each (10%) has been recommended by the Board of Directors for the year ended 31.03.2015 and subject to the approval of the shareholders at the ensuing AGM, is proposed to be paid on or before 23.10.2015.
5. In terms of the Investor Education and Protection Fund Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2008, as on the date of the 23rd Annual General Meeting (AGM) held on 14.8.2014, on the website of the IEPF viz. www.iepf.gov.in and under “Investor Service Section” on the website of the Company i.e. www.dcmsr.com.

The shareholders, who have not encashed their dividend warrant/s for the previous year/s may contact the Company or Registrar and Transfer Agents for issue of duplicate warrants.

6. Those who hold shares in physical form may notify change of address if any to Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda,

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Hyderabad - 500032 or New Delhi House, 305, 3rd Floor, Barakhamba Road, New Delhi - 110001 along with self attested copies of address proof and PAN card.

7. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Karvy Computershare Pvt. Ltd.
8. Details under Clause 49 of the Listing Agreement in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, form integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.
9. Electronic copy of the Annual Report for year ending 31.3.2015 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 Annual Report are being sent in the permitted mode.
10. Electronic copy of the Notice of the 24th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form 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 Notice of the 24th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
11. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for 2015 will also be available on the Company's website www.dcmsr.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post, free of cost. For any communication, the shareholders may also send requests to the Company's email id: investorservices@dcmsr.com.
12. A member may participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be entitled to vote again at the meeting. Members attending the meeting but have not exercised their right to vote through remote e-voting can cast their votes at the meeting through ballot paper.
13. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide all its members facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means, as an alternate. Please note that the voting through electronic means is optional.

The voting through electronic means will commence on 19.09.2015 at 10.00 AM and will end on 23.09.2015 at 5.00 PM. The members will not be able to cast their vote electronically beyond the date and time mentioned above. The procedure and instructions for e-voting are as follows :

- (i) Open your web browser during the voting period and navigate to "<https://evoting.karvy.com>"
- (ii) Enter the login credentials (i.e. user-id & password) mentioned on the Attendance Slip. Your Folio/ DP -Client ID will be your User-ID

User - ID	<ul style="list-style-type: none"> - <u>For Members holding shares in Demat Form:</u> <ul style="list-style-type: none"> a) For NSDL- 8 character DPID followed by 8 digit Client ID b) For CDSL- 16 digit beneficiary ID - <u>For Members holding shares in Physical Form:</u> Electronic Voting Event Number (EVEN) followed by Folio no. registered with the Company
Password	Your Unique password is printed on the AGM Attendance slip / forwarded through the electronic notice via email, in case email is registered.
Captcha	Enter the Verification code i.e. please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- (iii) Please contact on toll free no.18003454001 for any further clarification.
- (iv) Members whose name appear in the register of members/beneficial owners as on cut off date i.e. 16.9.2015, can cast their vote on-line from 19.09.2015 from 10.00 AM to 23.09.2015 up to 5.00 PM.
- (v) After entering these details appropriately, click on “LOGIN”.
- (vi) Members holding shares in Demat/ Physical form will now reach Password Change Menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z) one numeric value (0-9) and a special character (#, \$, &...). Kindly note that this password can be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through **Karvy Computershare Private Limited e-voting platform**. System will prompt you to change your password and update any contact details like mobile no., email ID etc. on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) You need to login again with the new credentials.
- (viii) On successful login, system will prompt to select `Event' i.e. `Company Name'.
- (ix) If you are holding shares in Demat form and had logged on to “https://evoting.karvy.com” and cast your vote earlier for any company, then your existing login id and password are to be used.
- (x) On the voting page, you will see Resolution Description and against the same the option `FOR/ AGAINST/ ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under `FOR/ AGAINST/ ABSTAIN' or alternatively you may partially enter any number in `FOR' and partially in `AGAINST', but the total number in “FOR / AGAINST” taken together should not exceed your total shareholding. If the shareholder does not want to cast vote, select “ABSTAIN”.
- (xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you `CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

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- (xiii) Corporate/ Institution Members (Corporate/ FIs/ FIIs/ Trust / Mutual Funds/ Banks, etc) are required to send scanned (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to investorservices@dcmsr.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name-Event no."
- (xiv) Shri M.L. Arora (C.P.No.3209) and in his absence Shri Swaran Kumar Jain (C.P.No.4906), Practicing Company Secretaries, have been appointed as the Scrutinizer/s to scrutinize the e-voting process in a fair and transparent manner.
14. The Scrutinizer shall immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses, not in the employment of the Company and make, not later than 3 days of conclusion of the meeting, 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 counter-sign the report and declare the results forthwith.
15. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website "www.dcmsr.com" and on the website of Karvy immediately.
16. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. We propose to send all future communications in electronic mode to the email address provided by you. Members who have not registered their email IDs are requested to intimate their email ID to the Company's Registrars, viz. Karvy Computershare Pvt. Ltd. (Email ID: einward.ris@karvy.com) or their depository participants.
17. **Inspection:** All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days, upto and including the date of the Annual General Meeting of the Company.
18. **Profile of the Director retiring by rotation:** Shri K.N. Rao, who was appointed on the Board with effect from 1.2.2014 in the casual vacancy caused by the resignation of Shri Anil Gujral, holds office till the the date of the ensuing AGM i.e. the date upto which Shri Anil Gujral in whose place he was appointed would have held office if it had not been vacated. Shri K.N. Rao being eligible offers himself for reappointment as a director liable to retire by rotation in terms of Section 161(4) of the Companies Act, 2013.

None of the other directors of the Company is interested in the resolution.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

With a view to broad-base the Board of Directors of the Company, the Nomination and Remuneration Committee (NRC) recommended to the Board, the appointment of Shri C. Vikas Rao as an independent director of the Company. While making such recommendation, NRC had taken into account the qualifications, experience, positive attributes and independence of Shri C. Vikas Rao.

The Board in its meeting held on 14.8.2014 appointed Shri C. Vikas Rao as an Independent Director for a term not exceeding 5 consecutive years from 14.8.2014, subject to the approval of shareholders.

Shri Vikas Rao, B.Sc.(Hons), MBA, aged 53 years, has long experience in the financial sector particularly in fund management and insurance business. He is presently Executive Director (Mktg & CLIA), Life Insurance Corporation of India.

Shri Vikas Rao had confirmed at the time of appointment and at the beginning of the current financial year that he meets the criteria of independence laid down u/s 149(6) of the Companies Act, 2013.

Shri Vikas Rao does not hold any shares in the Company. He has no other directorship.

The Board recommends the resolution for the approval by the shareholders of the Company.

Except Shri Vikas Rao, being the appointee, none of the other directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.5.

Item No. 6

In order to further broad-base the Board of Directors of the Company by inducting persons of eminence and to comply with the mandatory requirement of listed companies having at least one woman director on the Board as per Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Nomination and Remuneration Committee (NRC) recommended to the Board, the appointment of Smt. Kavitha Dutt Chitturi as an independent director of the Company. While making such recommendation, NRC had taken into account the qualifications, experience, positive attributes and independence of Smt. Kavitha Dutt Chitturi.

The Board in its meeting held on 2.2.2015 appointed Smt. Kavitha Dutt Chitturi as an Independent Director for a term not exceeding 5 consecutive years from 2.2.2015, subject to the approval of shareholders.

Smt. Kavitha Dutt Chitturi is a Graduate from Cedar Crest college, Allentown, Penn in Business Management, with specialization in International Business. She also holds PG Diploma in Human Resources. She is 44 years of age and is presently Executive Director, the K.C.P. Limited, Chennai. She has skills and experience in different spheres of manufacturing and management. She is also actively involved with socio-cultural organizations and in promotion of education. She is a past president of FICCI Ladies Organisation. Her directorships in other companies are given below:

<u>Directorships</u>	<u>Chairman/Member of the Committee of the Board</u>	
1. K.C.P. Ltd. (Executive Director)	- Audit Committee	Member
2. V. Ramakrishna Sons P.Ltd.		
3. K.C.P. Vietnam Industries Ltd. (Registered in Vietnam)		
4. ABI Showatech (India) Ltd.		
5. Velagapudi Foundation		
6. Chennai Willingdon Corporate Foundation		

Smt. Kavitha Dutt Chitturi had confirmed at the time of appointment and at the beginning of the current financial year that she meets the criteria of independence laid down u/s 149(6) of the Companies Act, 2013. She holds 500 equity shares in the Company.

The Board recommends the resolution for the approval by the shareholders of the Company.

Except Smt. Kavitha Dutt Chitturi, being the appointee, none of the other directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.6.

Item No. 7

The Board of Directors in their meeting held on 14.8.2014 appointed M/s. Ramanath Iyer & Co., Cost Auditors, 808, Pearls Business Park, Netaji Subhash Place, Delhi – 110034 as Cost Auditors of the

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Company for the year 2014-15 at a remuneration of Rs.1.10 lacs plus out of pocket expense and taxes as may be applicable, on recommendation of the Audit Committee, pursuant to Section 148 of the Companies Act, 2013.

The Board in their meeting held on 29.5.2015 reappointed the same Cost Auditors for the year 2015-16 on a remuneration of Rs.1.21 lacs plus actual out of pocket expenses and taxes as applicable, on recommendation of the Audit Committee.

The above remuneration to the Cost Auditors, fixed by the Board for the financial years 2014-15 and 2015-16 is for ratification and confirmation by the shareholders as required under Rule 14 of the Companies (Audit & Auditors) Rules, 2014.

None of the directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.7.

Item No.8

The Company had been accepting deposits from shareholders and others prior to 1.4.2014 pursuant to Section 58A of the Companies Act, 1956. The Company stopped accepting deposits from 1.4.2014 pending compliance with the requirements under Chapter V of the Companies Act, 2013 though the Company is an eligible company as per Rule 2(e) of the Companies (Acceptance of Deposits) Rules, 2014.

The Board of Directors in their meeting held on 29.5.2015 approved in principle a proposal for inviting and acceptance of deposits pursuant to Sections 73,76 and other applicable provisions, if any, of the Companies Act, 2013 subject to the approval of the shareholders.

Subject to the approval of the shareholders , it is proposed that the Company may accept deposits from members and others to the extent that such deposits together with long term borrowings shall not exceed the limit under Section 180(1)(c) of the Companies Act, 2013 i.e. equal to paid up capital and free reserves as on 31.3.2015.

None of the directors or KMPs are interested financially or otherwise in the resolution except to the extent any deposit they hold.

Note:

Copies of the letters of appointment issued to the independent directors setting out the terms and conditions (item no.5 & 6) and Board Resolutions dated 14.8.2014 and 29.5.2015 approving the appointment of Cost Auditors (item no.7) would be available for inspection.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Interest

Except as indicated under the respective items, none of the directors or Key managerial personnel or their relative(s) is concerned or interested in the resolutions.

The Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of your Company for the year ended 31st March, 2015.

From the start of 2014-15 the economy, which was languishing in the previous years, moved to a growth path on the back of falling inflation and an upward trend in the manufacturing and service sectors. The economy received further fillip with the positive signals with regard to progressive reforms in areas of infrastructure development, unblocking of coal mines, allocation of telecom spectrum, deregulation of diesel prices and promises of an ambitious 'make in India' campaign. The external economic scenario turned more benign with falling crude oil prices which resulted in reduced import bills and reduced pressure on the current account of the Country. With control on inflation, which was moving up by leaps and bounds earlier, there was hope of a lower interest rate regime, to aid faster growth. This aspect is yet to crystallize up to the expectations. With anticipation of GDP growth of over 7% during the current financial year, which projection has been echoed by domestic and international agencies, one hopes that the stage is set for a turnaround in the overall economic scenario.

As for your Company's operations, segments other than sugar performed well. As far as the sugar business is concerned, during the year under review, the problems faced by the industry in the year 2013-14 turned more acute, making further long term reforms and the need for short term relief measures even more urgent.

Financial Summary

In spite of the continued adversity in the sugar business, which is the core business of the Company, the Company achieved a turnover of Rs.1305 cr. against Rs.1329 cr. in the previous year. There was a gross profit of Rs. 29.9 cr. as compared to Rs. 67.9 cr. in the previous year and net profit of Rs. 4.4 cr. as compared to Rs. 29 cr. in the previous year.

Appropriation and Dividend

The Board of Directors is pleased to recommend a dividend of Re.1 per equity share of Rs.10 (10%) for the year ended 31.3.2015. The dividend payout for the year under review, inclusive of corporate tax on dividend distribution, is Rs. 2.09 cr.

After provision for proposed dividend, out of Rs.117.63 cr. in the Profit & Loss Account, including Rs.115.34 cr. brought forward from the previous year and on adjustment of (-) Rs. 5.56 cr. towards carrying value of fixed assets (net of deferred tax), Rs.100 cr. was transferred to General Reserve (Rs. 3 cr. in the previous year) leaving a balance of Rs.12.06 cr. in the Profit & Loss Account.

Auditors' Report

There are no qualifications, reservation, or adverse remarks or disclaimer in the Auditors Report to the members on the Annual Financial Statements for the year ended 31.3.2015.

Secretarial Audit Report

M/s. Chandrasekaran Associates, Company Secretaries, carried out a Secretarial Audit for the year 2014-15 pursuant to Section 204 of the Companies Act, 2013 (the Act). A copy of their Report in Form MR-3 as per Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure – 1**.

There are no qualifications in the Report. Regarding their observation with regard to deposits, the Company is repaying the deposits accepted prior to 1.4.2014 on the respective due dates, which in terms of the Explanation appended to Rule 19 of the Companies (Acceptance of Deposit) Rules, 2014 is deemed to be in compliance of Section 74(1)(b) of the Companies Act, 2013. Regarding 'related party transactions', as the Company had obtained prior approval of the Audit Committee and the Board of Directors to each such transactions, the need for obtaining the omnibus approval of the Audit Committee to such transactions does not arise.

DIRECTORS' REPORT (continued)

THE STATE OF COMPANY'S AFFAIRS

Sugar

During the year the Unit produced 1.62 lac MT of sugar, by crushing 16.79 lac MT of cane as against 1.32 lac MT of sugar by crushing 14.12 lac MT of cane in the previous year.

The financial year 2014-15 has been difficult for the Indian Sugar Industry due to continued fall in sugar prices, which dropped to lowest level in the past five years. Continued excess production over consumption in the last five years has resulted in significant increase in sugar inventory.

At the start of the financial year, the sugar prices were ruling around Rs. 3000 – 3200 per qtl., in anticipation of improved sentiments with swearing in of new Government at Centre. However, with domestic sugar production for Sugar Season 2014-15 estimated to be higher at over 27 Million MT as against consumption of around 23 Million MT, the market sentiments turned bearish and sugar prices collapsed to a low of around Rs. 2400 per qtl. before rising to a level of Rs. 2600 per qtl. in March' 15. Consequently, the Industry is straddled with huge losses and cane dues. In the current situation, companies are finding it difficult even to pay cane dues as per Fair & Remunerative Price (FRP), let alone the State Administered Price (SAP).

Internationally also the sugar prices have declined from US\$ 450 per MT to a level of US\$ 380 per MT for White Sugar, with surplus production in most sugar producing countries. At these prices, no exports are taking place despite the Government having declared a higher export incentive on raw sugar. Consequently, the surplus situation is continuing and the Industry is expected to carry forward a record stock of around 10 Million MT into the next Season, which is nearly 5 months consumption of sugar.

During these difficult times, the State Government has given some relief to Sugar Industry in the following manner : -

- The Uttar Pradesh Government has maintained the sugarcane price, SAP, at Rs. 280 per qtl. for Sugar Season 2014-15 at the same level as last year, to be paid in two installments, Rs. 240 per qtl. within 14 days of supply, and the balance Rs. 40 per qtl. in the following manner :
 - Rs.11.40 per qtl. through waiver of taxes / charges and other payables
 - Upto Rs. 28.60 per qtl. cane price subsidy, linked to selling prices of sugar, molasses, bagasse and press mud from Oct.'14 - May'15.

Keeping in mind actual realisation, it is expected that the whole of the Rs. 28.60 per qtl. incentive would accrue to the Industry.

Though above steps have helped in mitigating the financial difficulties / losses to some extent, but the losses are still huge and cane price arrears have increased substantially, and stood at around Rs. 19250 crs. as on 31st March, 2015.

For Industry to survive surplus sugar stock position needs to be further addressed by way of buffer stock creation by the Central Government, for which representations have already been made to take some initiatives to safeguard the Industry and its stakeholders. It is also necessary that a linkage between the price of sugar and sugarcane is established at the earliest, to ensure that the Industry has the capacity to meet its obligations towards its stakeholders.

In order to rationalize the Import Export Policy of Sugar, the Central Government has recently increased the import duty to 40% and enhanced export subsidy on raw sugar to Rs. 4000 per MT, to stabilize the domestic market.

On the operational front, Company continues to lay emphasis on increasing productivity, sugar recovery and reducing cost of production.

Alcohol

There was a decline in the profitability of the Alcohol Business relative to the previous year, basically because of a sharp increase in the price of the input i.e. molasses which could not be matched with increase in selling prices. In-fact sales and prices of Alcohol were under pressure due to relatively cheap imports, and limited progress in the Gasohol Programme due to various statutory and commercial reasons.

Chemicals

The profitability of the Chemicals business was maintained at the previous year's level, despite intensified competition, and aggressive pricing by Chinese manufacturers, particularly in the last quarter of the year when significant export benefits were again introduced by the Chinese Govt.

Demand for our main products was stable.

Contract Manufacturing activities declined due to sluggish offtake of the end product manufactured by the Customer.

The Company continued with its active R&D programme for optimization of processes and developing new products.

Rayon

Shriram Rayons, Unit of the Company, continued to increase its share in the Rayon market, achieving its highest export volume during the year. The Unit enhanced its efforts for widening its customer base, geographic distribution and increasing value added products.

The Nylon Chafer sale was lower due to the depressed domestic automobile market.

The Rayon debottlenecking project was completed during the year. This, along with improved machine productivity and reduction in wastages, helped the Unit in achieving higher production and lower operating cost.

To control the energy cost and also to protect the environment, the Unit is consistently replacing coal with agro fuel. During the year, the Unit met 44% of its fuel requirement from renewable sources. The Unit also completed implementation of energy related projects including the Solar Power Pilot Project to further increase usage of renewable energy and also increase operational economics.

The steep fall in the value of the Euro has adversely affected export realization in the later part of the year. All the above steps have helped us to counteract the continuing weakness in Euro, in some measure.

Material changes and commitments

No material changes or commitments have occurred between the end of the financial year to which the financial statements relate and the date of this Report, affecting the financial position of the Company.

Subsidiary/ Associate Companies

The Company has a non-material subsidiary, Daurala Foods & Beverages Pvt. Ltd.(DFBL), which is not carrying on any operations presently. DCM Hyundai Limited (DHL) is an associate company.

The required information with regard to the performance and financial position of the subsidiary and associate companies are annexed in Form AOC - I as annexure to the Annual Financial Statements for the year ended 31.3.2015.

There has been no change in relationship of any subsidiary/ associate company during the year.

BOARD MEETINGS AND DIRECTORS

Meetings of the Board

During the year 2014-15 the Board met five times. The dates of the meetings, attendance, etc., are given in the Corporate Governance Report annexed hereto.

DIRECTORS' REPORT (continued)

Declaration u/s 149(6) of the Act

All the Independent Directors (IDs) have given declarations u/s 149(6) of the Act confirming that they meet the criteria of independence as laid down under the said Section.

Familiarization Programme for Independent Directors

Four of the six IDs in the Company have been on the Board for a long time and are fully conversant with the business of the Company, nature of the industries in which it operates, business model, etc. The two IDs appointed during the year have been fully briefed about the Company and its operations. The IDs, at the time of appointment, have been provided with the details of their roles, rights and responsibilities as IDs through the letter of appointment issued to them.

The Directors are also kept updated with information on the Company, the industry and developments in different segments at the Board meetings while reviewing the operations, quarterly/annual financial results and considering the budgets.

Your Company will arrange visits of the IDs to the Plants according to their convenience in future.

A familiarization programme for IDs, to be laid down by the Board, will be put on the Company's website – www.dcmsr.com in due course.

Directors Appointment and Remuneration

Appointment of directors on the Board of the Company is based on the recommendations of the Nomination & Remuneration Committee (NRC). NRC identifies and recommends to the Board, persons for appointment on the Board, after considering the necessary and desirable competencies. NRC takes into account positive attributes like integrity, maturity, judgement, leadership position, time and willingness, financial acumen, management experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, etc.

In case of Independent Directors (IDs) they should fulfill the criteria of independence as per the Act and Clause 49 of the Listing Agreement in addition to the general criteria stated above. It is ensured that a person to be appointed as director has not suffered any disqualification under the Act or any other law to hold such an office.

The directors of the Company are paid remuneration as per the Remuneration Policy of the Company, the gist of which is given under the heading 'Remuneration Policy' herein below. The details of remuneration paid to the directors during the year 2014-15 are given in Form MGT-9 annexed hereto and also in the Corporate Governance Report forming part of this Report.

Changes in Directors or KMP

Pursuant to Section 161 (4) of the Act, Shri K.N. Rao, who was appointed in a casual vacancy on the Board, effective from 1.2.2014, holds office till the ensuing AGM and being eligible offers himself for appointment as a director liable to retire by rotation. Shri K.N. Rao is presently Director & CEO (Rayons).

Shri C. Vikas Rao was appointed as an ID on the Board, on the recommendation of NRC, for a term of 5 years w.e.f. 14.8.2014. His appointment is subject to the approval of the shareholders in the ensuing Annual General Meeting. Particulars of Shri C.Vikas Rao have been given in the explanatory statement annexed to the notice for the AGM.

Mrs. Kavitha Dutt Chitturi has been appointed on the Board as an Independent Director, on recommendation of the NRC, for a term of 5 years w.e.f. 2.2.2015, subject to the approval of the shareholders in the ensuing AGM. With this appointment, your Company has complied with the requirement of having a woman director on its Board as per the Act and the Listing Agreement. Particulars of Mrs. Kavitha Dutt Chitturi have been given in the explanatory statement annexed to the notice for the ensuing AGM.

Dr. V.L. Dutt, who had joined the Board in May, 1990 and continued on the Board with a break between 2001-2005, resigned from the Board as an ID due to restrictions on his travel and other business engagements, effective from 12.1.2015. The Board of Directors placed on record its appreciation of the valuable advice and guidance provided by Dr. V.L. Dutt during his long tenure with the Company.

Shri B.P. Khandelwal demitted office as Company Secretary effective from 04.11.2014, to take up his new assignment in the Company as President. The Board appointed, on the recommendation of NRC, Shri Y.D. Gupta, Sr. General Manager (Law & Taxation), as Company Secretary from the said date.

Annual Evaluation of Board and Directors

As required under the Act and the Listing Agreement, an evaluation of the performance of the IDs was carried out by the Board of Directors during the year, based on the criteria laid down by the NRC. A copy of the 'criteria' is annexed as **Annexure 2** hereto. On an overall assessment, it was found that all the IDs have given a good account of themselves. The Board concluded that the IDs individually and collectively were well qualified and their contributions were in the interest of the Company.

The IDs in a separate meeting held on 02.02.2015 reviewed and evaluated the performance of non-Independent Directors, the Board as a whole, the Board Committees and the performance of the Chairman of the Company taking into account the views of executive and non-executive directors.

Keeping the requirements under the Act and the Listing Agreement, the IDs have laid down broad areas for evaluation. After detailed discussion, it was concluded that the performance of the Board/ Committees collectively and the directors individually on all counts of evaluation were appreciable.

The performance of the Chairman and other Executive Directors was evaluated for leadership and direction to the Company judging as per the parameters of the evaluation criteria and noted that the performance was satisfactory. It was further noted that the Chairman was duly following long term strategy for the Company generally.

Directors' Responsibility Statement

As required under Section 134(3)(c) of the Act your Directors state that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has over the years evolved effective systems and procedures to ensure internal financial controls in all its establishments. An internal audit process is in place under the overall supervision

DIRECTORS' REPORT (continued)

of the Audit Committee of the Board. The services for the internal audit are outsourced. Qualified and experienced professionals are engaged to ensure effective and independent evaluation of, inter alia, the internal financial controls. The appointment of internal auditors are approved by the Board on recommendations of the Audit Committee. The Audit Committee also lays down the schedule for internal audit. Internal audit reports are placed before the Committee with management comments. Suggestions are implemented and reported to the Audit Committee.

Apart from the above, an effective budgeting and monitoring system is also in place. Budgets are reviewed by Audit Committee and approved by the Board. The operating results are compared and monitored with the approved budgets periodically. An Executive Committee comprising of senior management team meets every month, reviews all aspects of operations and chalks out remedial measures and strategies, wherever required.

An effective communication/ reporting system operates between the Units, Divisions and Corporate Office to keep various establishments abreast of regulatory changes and ensure compliances.

The Company has, with a view to further strengthen the internal financial controls, engaged the services of an expert agency to draw out a more comprehensive internal financial control system for the Company. The Company expects to commence implementation of its recommendations during the current financial year.

Loans, Guarantees and Investments

The Company has not given any loan or made any investment covered u/s 186 of the Act during the year.

The Company has agreed to act as facilitator for disbursement of crop loan of up to Rs.100 cr. to the designated cane growers attached to the Company's Unit, Daurala Sugar Works from IDBI Bank Limited. In this regard the Company has executed a Deed of Guarantee for providing necessary services and to ensure repayment of the crop loans by the cane growers who avail the facility. No disbursement has so far been made under the Scheme.

Related Party Transactions

The transactions entered with related parties during the year under review were on Arm's Length basis and in the ordinary course of business. The provisions of Section 188 of the Companies Act, 2013 are therefore, not attracted. All related party transactions were approved by the Audit Committee and the Board. The relevant information regarding related party transactions has been set out in Note 38 of the Standalone Financial Statement for the y.e. 31.3.2015. Thus, disclosure in Form AOC-2 is not required.

The Board has framed a Policy on related party transactions and placed the same on the Company's website.

CSR Activities

Pursuant to Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, a report in the prescribed proforma is annexed – **Annexure 3**.

Risk Management

The Board of Directors in its meeting held on 30.01.2006 undertook a comprehensive review of the risk assessment and minimization procedures/ policies followed by the Company at its various operations. While taking note of the same, the Board laid down that a half yearly status report of the risk assessment and steps taken to minimize the risks be placed before the Board. Such a report in respect of all the operations of the company is regularly placed before the Board and suggestions, if any, are implemented.

In view of the diversified business, there are no elements of risks, which in the opinion of the Board may threaten the existence of the Company.

Public Deposits

- i. The Company has not accepted any deposit covered under Chapter V of the Act during the year.
- ii. No deposit remained unpaid as at the end of the year. An amount of Rs.1.54 lacs remained unclaimed as at the close of the year.
- iii. There has been no default in repayment of public deposits during the year.
- iv. The Company has not accepted any deposits after the commencement of the Act.

Significant Material Orders Passed by Regulators or Courts or Tribunals

No significant orders have been passed by any Regulators, Courts or Tribunals impacting the going concern status and Company's operations in future.

Extract of the Annual Return

Extract of the Annual Return for the year 2014-15 in Form MGT-9 is annexed – **Annexure 4**.

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

The required information as per Rule 8 (3) A, B & C of Companies (Accounts) Rules, 2014 is annexed – **Annexure 5**.

REMUNERATION POLICY

The Board of Directors in its meeting held on 14.8.2014 laid down a Remuneration Policy as recommended by the NRC relating to remuneration of the Directors, Key Managerial Personnel (KMP), Sr. Management Personnel (SMP) and other employees of the Company. The Remuneration Policy is in accordance with Section 178 of the Act and the Rules made thereunder. The salient features of the Policy are given below:

i. Guiding principle

The guiding principle of the Policy is that the remuneration and other terms of employment should effectively help in attracting and retaining committed and competent personnel. The remuneration packages are designed keeping in view industry practices and cost of living.

ii. Directors

Non-executive directors are paid remuneration in the form of sitting fees for attending Board/ Committee meetings as fixed by the Board from time to time subject to statutory provisions. Presently sitting fee is Rs. 50,000 per Board meeting and Rs. 25,000 per Committee meeting.

Remuneration of Executive Directors (Whole-time Directors) including Managing Director is fixed by the Board of Directors on the recommendation of the NRC, subject to the approval of the shareholders. The NRC, while recommending the remuneration, takes into account pay and employment conditions in the industry, merit and seniority of the person and paying capacity of the Company. The remuneration which comprises of salary, perquisites, performance based reward/ profit based commission and retirement benefits as per Company Rules is subject to the limits laid down under the Act.

iii. KMP and SMP

Appointment and cessation of service of KMP are subject to the approval of the NRC and Board of Directors. Remuneration of KMP and SMP are approved by CMD on the recommendation of the concerned Executive Director, keeping in view the Remuneration Policy.

DIRECTORS' REPORT (continued)

iv. Other employees

The remuneration of other employees is fixed from time to time by the Management as per the guiding principle laid down in the Remuneration Policy and considering industry standards and cost of living. In addition to salary, they are also provided perquisites and retirement benefits as per Schemes of the Company and statutory requirements, where applicable.

The Remuneration Policy of the Company is available on its website.

Managerial Remuneration

The information required as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to remuneration of Directors, KMP and comparisons are annexed – **Annexure 6**. It is affirmed that the remuneration is as per the Remuneration Policy of the Company.

Particulars of employees who have drawn remuneration of Rs.60 lacs or more during the year 2014-15 are annexed – **Annexure 7**.

Audit Committee

The Audit Committee presently comprises of three IDs and one executive director. Shri P.R. Khanna is the Chairman and Shri S.B. Mathur, Shri S.C. Kumar and Shri K.N. Rao, Director & CEO (Rayons) are Members. There was no instance of the Board not accepting the recommendation of the Audit Committee.

Vigil Mechanism

Pursuant to Section 177 of the Act and Clause 49 of the Listing Agreement, the Board of Directors, on the recommendation of the Audit Committee, adopted a Vigil Mechanism (Whistle Blower Policy) in its meeting held on 14.8.2014. The Policy has been widely circulated amongst the employees and also put on the website of the Company.

The Policy provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or policies. The mechanism provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

Share Capital

During the year, the Company has not issued any share capital with differential voting rights, sweat equity or ESOP nor provided any money to the employees or trusts for purchase of its own shares.

Unclaimed Shares Suspense Account

The position with regard to the unclaimed equity shares, transferred to the Demat Suspense Account as required under Clause 5A of the Listing Agreement, is as under:

	<u>No. of Folios</u>	<u>No. of Shares</u>
Position as on 1st April, 2014	6096	84429
Shares released during 2014-15	6	285
Balance as on 31.3.2015	6090	84144

Market Capitalization

Particulars	As at 31.3.2015	As at 31.3.2014	Variation
- Market capitalization (Rs./cr.)	128.58	90.82	41.58%
- Price Earning Ratio	29.32	3.13	836.74%

The Company has not made any public offer of shares.

Statutory Auditors

The statutory auditors of the Company are M/s A. F. Ferguson & Co. (Registration No.112066W), Chartered Accountants, 9, Scindia House, K.G. Marg, New Delhi – 110001. There was no change in the statutory auditors during the year. They being eligible, are being recommended to the shareholders for re-appointment for holding office as statutory auditors from the close of the ensuing AGM till the conclusion of the next AGM. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. A.F. Ferguson & Co. that their appointment, if made, would be in conformity with the limits specified in the said Section.

Cost Auditors

M/s Ramanath Iyer & Co., Cost Accountants , 808, Pearls Business Park, Netaji Subhash Place, Pitampura, Delhi – 110034, who were appointed as Cost Auditors of the Company for the year 2013-14, submitted the Cost Audit report, due for filing on or before 27.9.2014, to the Central Government on 15.9.2014. They have been reappointed as Cost Auditors for the years 2014-15 and 2015-16. A resolution for ratification of their remuneration for the years 2014-15 and 2015-16, as required under the Companies Act, 2013, forms part of the Notice convening the AGM.

Corporate Governance

Reports on Corporate Governance and Management Discussion & Analysis are annexed - **Annexure 8**.

Anti-Sexual Harassment Policy

Pursuant to the “Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013,” the Company constituted Internal Complaints Committees at all its workplaces. There has not been any instance of complaint reported in this regard to any of the Committees.

Acknowledgement

The Directors acknowledge the continued co-operation and support received from the banks and various government agencies, and all our business associates.

The Directors also place on record their appreciation of the contribution made by employees at all levels.

For and on behalf of the Board

New Delhi
May 29, 2015

A handwritten signature in black ink, appearing to be the name of the Chairman.

CHAIRMAN

DIRECTORS' REPORT (continued)

SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2015

Annexure - 1

The Members,

DCM Shriram Industries Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DCM Shriram Industries 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.

Based on our verification of the Company's books, papers, minute 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 March 31, 2015 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 DCM Shriram Industries Limited ("the Company") for the financial year ended on March 31, 2015, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
 - (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 to the extent of securities issued;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable

(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/ industry are:

1. The Narcotic Drugs and Psychotropic Substances Act, 1985
2. Sugarcane Control Order, 1966
3. Sugar Control Order, 1966

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. Not applicable for financial year 2014-15
- (ii) The Listing Agreements entered into by the Company with BSE Limited:

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The Repayment of the Deposit which had been accepted prior to 31.03.2014 being re-paid as per the original terms of payment based on two opinions received by the Company.
2. The Company has been advised to take the Omnibus Approval from the Audit Committee for the Related Party Transactions.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period the Company has no specific events / actions that having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Rupesh Agarwal
Partner

For Chandrasekaran Associates
Company Secretaries
Membership No. A16302
Certificate of Practice No. 5673

Date: 27.05.2015
Place: New Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

DIRECTORS' REPORT (continued)

Annexure - A

The Members
DCM Shriram Industries Limited
Kanchenjunga building,
18, Barakhamba Road, New Delhi -110001

1. 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.
2. 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 the random 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. 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.

Rupesh Agarwal
Partner

For Chandrasekaran Associates
Company Secretaries
Membership No. A16302
Certificate of Practice No. 5673

Date: 27.05.2015
Place: New Delhi

Annexure - 2

Criteria for performance evaluation of Independent Directors

The Board will evaluate the performance of Independent Directors on a scale of 1 – 5 on the following parameters. The ID being evaluated shall abstain from the Board meeting in which the evaluation process is undertaken.

1. Attendance in the Board / Committee/ General meetings.
2. How well prepared for the meetings.
3. Participation in discussion/ deliberations.
4. Quality and value of contribution to the Board deliberations.
5. Contribution to the development of business strategy, policies, risk management, management systems and control procedures.
6. How successfully brought his knowledge and experience in enriching existing strategy.
7. Contribution to Board cohesion, including the ability to listen to and respect the ideas of fellow directors and members of management.
8. Awareness of Regulatory frame works applicable to the Company.
9. Eagerness to devote time and effort learning about the Company and its business.
10. Commitment to fiduciary responsibility.
11. Compliance with the Code of Business Conduct & Ethics laid down by the Board.
12. Overall effectiveness of the IDs.

REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Social Responsibility Policy) Rules, 2014, the Board of Directors in their meeting held on 30.5.2014 constituted a CSR Committee of the Board. The Committee recommended a CSR Policy in its meeting held on 03.11.2014, which was adopted by the Board in its meeting held on the same day.

The Policy aims to support one or more activities covered under Schedule VII of the Companies Act, 2013, for betterment of the environment and living conditions of the population directly or through recognized agencies/ funds.

2. The CSR Committee comprises of Shri Tilak Dhar, CMD (Chairman), Shri Alok B. Shriram, DMD (Member), and Shri S.C. Kumar, Independent Director, (Member) .
3. Average net profit of the Company for last three financial years – Rs.11.20 cr.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – Rs. 22.40 lacs.
5. Details of CSR spent during the financial year
- a) Total amount to be spent for the financial year – Rs. 22.40 lacs
- b) Amount unspent, if any. - Nil
- c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) local area or other 2) Specify the State and District where projects or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
1	PM National Relief Fund	Item No.VIII of Schedule VII of the Companies Act, 2013	Towards flood relief to the people of Jammu & Kashmir	Rs.11.38 lac	N.A.	N.A.	N.A.
2	Himalayan Institute Hospital Trust	Item No.II of Schedule VII	Cancer cure research, Dehradun (Uttarakhand)	Rs.11.12 lac	N.A.	N.A.	N.A.
	TOTAL			Rs. 22.50 lac			

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.
N.A.
7. It is confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

Sd/-
Dy. Managing Director

Sd/-
Chairman CSR Committee

DIRECTORS' REPORT (continued)

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2015

Annexure - 4

Form No. MGT-9

[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:- L74899DL1989PLC035140
- ii) Registration Date: 21.02.1989
- iii) Name of the Company: DCM SHRIRAM INDUSTRIES LTD.
- iv) Category/ Sub-Category of the Company: Manufacturing
- v) Address of the Registered Office and contact details:
Kanchenjunga Building, 6th Floor, 18 Barakhama Road,
New Delhi – 110 001.
Tel.No. 011-23759300 Fax No. 011-23350765
Email- dsil@dcmsr.com Website: http://www.dcmsr.com
- vi) Whether listed Company: Yes
- vii) Name,Address and Contact details of Registrar and Transfer Agent, if any:
Karvy Computershare Pvt. Ltd.
 - 1) Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad–500032
Tel.no. 040 - 67161500 Toll free no.18003454001
email - einward.ris@karvy.com
 - 2) New Delhi House, 305, 3rd Floor, Barakhamba Road,
New Delhi – 110001
Tel.no. 011 - 43681700 email - delhi@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Sugar*	1072	49.28
2	Industrial Fibres and related products	1399 /13999	25.38
3	Chemicals	2011/ 20119	22.54

* Comprising of sugar, power and alcohol

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/ GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Daurala Foods & Beverages Pvt. Ltd. 6th Floor, Kanchenjunga Bldg., 18 Barakhamba Road, New Delhi -110001	U74899DL1994PTC062686	Subsidiary	99.99	2(87) and 129(3)
2	DCM Hyundai Ltd. 5th Floor, 'Akash Deep', 26-A, Barakhamba Road, New Delhi - 110001	U93090DL1995PLC273604	Associate	49.28 * 11.70 **	2(6) and 129(3)

* of equity capital ** of equity and preference capital

IV. SHAREHOLDING 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				No. of shares held at the end of the year				%age change during the year
	Demat	Physical	Total	%age of total shares	Demat	Physical	Total	%age of total shares	
A. Promoters									
1) Indian									
a) Individual/HUF	326121	0	326121	1.87	97721	0	97721	0.56	-1.31
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt.	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	7294587	0	7294587	41.93	7569184	0	7569184	43.51	1.58
e) Banks/ FI	0	0	0	0	0	0	0	0	0
(f) Any other	0	0	0	0	0	0	0	0	0
SubTotal (A)(1)	7620708	0	7620708	43.8	7666905	0	7666905	44.07	0.27
2) Foreign									
a) NRIs –Individuals	0	0	0	0	0	0	0	0	0
b) Other – individuals	0	0	0	0	0	0	0	0	0
c) Bodies corp..	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total share-holding of promoter (A)= (A)(1)+(A)(2)	7620708	0	7620708	43.8	7666905	0	7666905	44.07	0.27
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	101	4746	4847	0.03	101	4746	4847	0.03	0
b) Banks/FI	2120	1991	4111	0.02	2120	1991	4111	0.02	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt	0	0	0	0	0	0	0	0	0
e) Venture capital funds	0	0	0	0	0	0	0	0	0
f) Insurance companies	1331259	0	1331259	7.65	1331259	0	1331259	7.65	0
g) FIs	0	0	0	0	3800	0	3800	0.02	0.02
h) Foreign venture capital funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	1333480	6737	1340217	7.7	1337280	6737	1344017	7.72	0.02
2) Non-institutions									
a) Bodies corp.									
i) Indian	5546745	21423	5568168	32	5535579	20813	5556392	31.94	-0.06
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lac	1559788	963564	2523352	14.50	1482320	938467	2420787	13.91	-0.59
ii) Individual shareholders holding nominal share capital excess of Rs.1 lac	202536	0	202536	1.16	262533	0	262533	1.51	-0.35
c) Others									
- Clearing members	15180	0	15180	0.09	3111	0	3111	0.02	-0.07
- Pakstani nationals	0	43113	43113	0.25	0	43113	43113	0.25	0
- NRIs	52996	22955	75951	0.44	69946	22434	92380	0.53	0.09
- Trusts	9212	0	9212	0.05	9199	0	9199	0.05	0
Sub-total(B)(2)	7386457	1051055	8437512	48.50	7362688	1024827	8387515	48.21	-0.29
Total Public shareholding (B)=(B)(1)+(B)(2)	8719937	1057792	9777729	56.20	8699968	1031564	9731532	55.93	-0.27
C. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	16340645	1057792	17398437	100	16366873	1031564	17398437	100	0

DIRECTORS' REPORT (continued)

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2015

(ii) Shareholding of Promoters

Annexure - 4 (contd.)

S. No	Shareholder's Name	Share holding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		Number of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	Number of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Versa Trading Ltd.	2224725	12.79	0	2224725	12.79	0	0
2	Bantam Enterprises Pvt. Ltd	1345320	7.73	0	1345320	7.73	0	0
3	Lily Commercial Pvt. Ltd.	1033243	5.94	0	1033243	5.94	0	0
4	Divine Investments Pvt. Ltd.	674993	3.88	0	674993	3.88	0	0
5	H.R. Travels P.Ltd.	569500	3.27	0	569500	3.27	0	0
6	HI-VAC Wares Pvt. Ltd.	441107	2.54	0	715704	4.11	0	1.57
7	Quick Litho-graphers Pvt. Ltd.	400700	2.30	0	400700	2.30	0	0
8	Peekay Alkalies Pvt. Ltd.	255590	1.47	0	255590	1.47	0	0
9	Super Wares Pvt. Ltd.	164898	0.95	0	164898	0.95	0	0
10	Gentech Chemicals P. Ltd.	147001	0.84	0	147001	0.84	0	0
11	Tilak Dhar-Karta (L.Bansi Dhar & Sons- HUF)	118837	0.68	0	10837	0.06	0	-0.62
12	Suman Bansi Dhar	56812	0.33	0	56812	0.33	0	0
13	Alok B. Shriram	34536	0.20	0	8536	0.05	0	-0.15
14	Meridian Marketing P. Ltd.	33337	0.19	0	33337	0.19	0	0
15	Divya Shriram	31587	0.18	0	87	0	0	-0.18
16	Urvashi Tilak Dhar	28521	0.16	0	521	0	0	-0.16
17	Karuna Shriram	28346	0.16	0	4346	0.02	0	-0.14
18	Madhav B. Shriram	15466	0.09	0	66	0	0	-0.09
19	Tilak Dhar	11816	0.07	0	11816	0.07	0	0
20	DCM Hyundai Ltd.	4173	0.02	0	4173	0.02	0	0
21	Aditi Dhar	100	0	0	100	0	0	0
22	Akshay Dhar	100	0	0	100	0	0	0
23	Kanika Shriram	0	0	0	4500	0.03	0	0.03
	TOTAL	7620708	43.80	0	7666905	44.07	0	0.27

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	7620708	43.80	7666905	44.07
Date-wise increase/ decrease in promoters share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ Transfer/Bonus/ Sweat/ equity, etc				
- 04.04.2014 (Market purchase)	4500	0.03	7625208	43.83
- 20.03.2015 (Market purchase)	30287	0.17	7655495	44.00
- 27.03.2015 (Market purchase)	11410	0.07	7666905	44.07
At the end of the year (31.3.2015)			7666905	44.07

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

S.No.	For Each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	%age of total shares of the company	No. of shares	%age of total shares of the company
	At the beginning of the year				
1	HB Stockholdings Ltd.	4346615	24.98	4346615	24.98
2	LIC	1331259	7.65	1331259	7.65
3	Pearey Lall & Sons (EP)Ltd.	466944	2.68	466944	2.68
4	Saraswati Sugar Mills Ltd.	265000	1.52	265000	1.52
5	Puran Associates Pvt. Ltd.	210581	1.21	210581	1.21
6	Pankaj Singhal	44497	0.26	44497	0.26
7	Arun Singhal	40000	0.23	0	0
8	Ritu Singhal	39426	0.23	39426	0.23
9	Banari Amman Sugars Ltd.	38000	0.22	0	0
10	Maninder Jit Bhandari	28405	0.16	28405	0.16
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)				
6.3.15	Arun Singhal (market sale)	(-) 10550		29450	
20.3.15	Arun Singhal (market sale)	(-) 29450		0	
25.7.14	Banari Amman Sugars Ltd. (market sale)	(-) 30000		8000	
1.8.14	Banari Amman Sugars Ltd. (market sale)	(-) 8000		0	
	At the end of the year (or on the date of separation, if separated during the year).				

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	%age of total shares of the company	No. of shares	%age of total shares of the company
	At the beginning of the year				
1	Sh. Tilak Dhar	11816	0.070	11816	0.070
2	Sh. Alok B. Shriram	34536	0.200	8536	0.050
3	Sh. Madhav B. Shriram	15466	0.090	66	
4	Sh. K.N. Rao	130		130	
5	Sh. P.R. Khanna	960	0.006	960	0.006
6	Sh. Ravinder Narain	570	0.003	570	0.003
7	Dr. V.L. Dutt	3700	0.020	Ceased to be director	
8	Mrs. Kavitha Dutt Chitturi	Appointed w.e.f. 23.3.15		500	0.003
9	Sh. S.B. Mathur	0		0	
10	Sh. C. Vikas Rao	0		0	
11	Sh. S.C. Kumar	0		0	
12	Sh. B.P. Khandelwal	620	0.004	Ceased to be KMP	
13	Sh. Y.D. Gupta	0		0	
14	Sh. N.K. Jain	1		1	
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc)				
1	Sh.Alok B. Shriram (31.12.2014) Transfer within the group	(-) 26000		8536	0.050
2	Sh.Madhav B. Shriram (31.12.2014) Transfer within the group	(-) 15400		66	
	At the end of the year				
1	Sh. Alok B. Shriram			8536	0.050
2	Sh. Madhav B. Shriram			66	

DIRECTORS' REPORT (continued)

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2015

Annexure - 4 (contd.)

V. INDEBTEDNESS

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

(Rs./lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	28872.76	-	977.04	29849.80
ii) Interest due but not paid	-	-	-	-
iii) interest accrued but not due	128.31	-	77.94	206.25
Total (i+ii+iii)	29001.07	-	1054.98	30056.05
Change in Indebtedness during the financial year				
• Addition	12331.94	150.00	-	12481.94
• Reduction	-	-	291.93	291.93
Net Change in Indebtedness at the end of the financial year				12190.01
l) Principal amount	41204.70	150.00	535.11	41889.81
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	115.97	-	63.37	179.34
TOTAL (i + ii +iii)	41320.67	150.00	598.48	42069.15

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs.)

Sl. no.	Particulars of Remuneration	Designation				Total Amount
		CMD	DMD	WTD	Dir. & CEO (Rayons)	
1.	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961.	2955000	3070000	2875000	2136000	11036000
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	637946	846589	1003762	504184	2992481
	(c) Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961	1773000	1701000	1593000	1101600	6168600
2	Stock Option	-	-	-	-	
3	Sweat equity	-	-	-	-	
4	Commission: - As % of profit others, specify	-	-	-	-	
5	Others, please specify	-	-	-	-	
	Total (A)	5365946	5617589	5471762	3741784	20197081
	Ceiling as per Act (minimum remuneration as per Schedule V of the Act.)	6000000	6000000	6000000	6000000	

B. Remuneration to other directors:

(Rs.)

S.No.	Particulars of Remuneration	Name of Directors						Total Amount
		P.R. Khanna	V.L. Dutt	S.C. Kumar	S.B. Mathur	Ravinder Narain	C.V. Rao	
1	Independent directors							
	• Fee for attending Board & Committee meetings	632500	275000	500000	557500	250000	175000	2390000
	• Commission	-	-	-	-	-	-	
	• Others, Please specify	-	-	-	-	-	-	
	Total (1)	632500	275000	500000	557500	250000	175000	2390000
2	Other Non-Executive Directors							
	• Fee for attending Board Committee meetings	-	-	-	-	-	-	
	• Commission	-	-	-	-	-	-	
	• Others, Please specify	-	-	-	-	-	-	
	Total (2)	-	-	-	-	-	-	
	Total (B)-(1+2)	632500	275000	500000	557500	250000	175000	2390000
	Total Managerial remuneration	-	-	-	-	-	-	
	Overall Ceiling as per the Act	NA						

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

(Rs.)

S.No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961.	1139780	1646450	2786230
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	303866	645698	949564
	(c) Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961	-	180000	180000
2	Stock Option	-	-	-
3	Sweat equity	-	-	-
4	Commission: - As % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	1443646	2472148	3915794

DIRECTORS' REPORT (continued)

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2015

Annexure - 4 (contd.)

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give details)
A. Company					
Penalty	None	-	-	-	-
Punishment	None	-	-	-	-
Compounding	N.A.	-	-	-	-
B. Directors					
Penalty	None	-	-	-	-
Punishment	None	-	-	-	-
Compounding	N.A.	-	-	-	-
C. Other Officers in Default					
Penalty	None	-	-	-	-
Punishment	None	-	-	-	-
Compounding	N.A.	-	-	-	-

Annexure - 5

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Information as required under Section 134 (3)(m) of the Companies Act 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

i) Steps taken or impact on conservation of energy :

- Thorough study of Plant and Machinery for identifying areas of potential energy optimisation.
- Process optimisation, such as pre cooling, maintaining proper temperature of cooling water, improving heat transfer efficiency, replacement of glass absorbers/ heat exchangers with graphite ones, reduced pumping of water, to reduce energy consumption.
- Installation of screw pumps in place of gear pumps.
- Installation of energy efficient low speed pumps at evaporators with VFD.
- Replacement of old 2.8 MW Condensing TG Set with a more efficient 5 MW Straight Condensing TG Set.
- Use of vapour in place of exhaust on A- pans.
- Installation of energy efficient screw type air compressor.
- Installation of additional evaporator unit in multiple effect evaporator.
- Metal halide street lamps replaced with LED street lamps.
- Incandescent bulbs replaced with CFL lamps.
- Installation of variable frequency drives on centrifuges, to reduce power consumption.

ii) Steps taken by the Company for utilising alternate sources of energy :

- Company's Daurala Complex utilises only clean non-conventional energy, using agro fuels co-generation of steam and power and supplies surplus green power generated to the grid.
- Installation of 10 KW Solar Photo Voltaic Power Plant.
- Conversion of coal fired boiler to dual fuel (coal / husk) boiler.

iii) Capital investment on energy conservation equipments : Rs. 18.35 Cr.

B. TECHNOLOGY ABSORPTION :

i) Efforts made towards technology absorption :

- Optimization of newly purchased self propelled Aero-tiller machine for increasing Bio-composting productivity.
- Process control to minimize waste generation at source.
- Installation of continuous viscose filter, humidity control system, plunger pump, flash mixer and tube settler equipments.
- Instrumentation of PLC with SCADA system, digital gas sensors, electronic measurement and control system.
- Mechanisation and automation of internal material movement.
- Replacement of conventional materials with the engineering plastics for corrosive liquid duty.

ii) Benefits derived like product improvement, cost reduction, product development or import substitution :

- Improvement in quality of products, increased production and capacity utilization, optimization of steam & power consumption, reduction in carbon foot print, lower costs and downtime, a cleaner / safer environment, lower waste generation at source, time savings, safe working, increased boiler throughput, and power factor improvement.

iii) Particulars of technologies imported during last three years - Nil

iv) Expenditure incurred on Research & Development : Rs. 2.05 cr.

C. FOREIGN EXCHANGE EARNINGS & OUTGO 2014-2015 :

- Total foreign exchange earned Rs. 385.53 crs. and used Rs. 179.52 crs.

Annexure - 6

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

1. Ratio of the remuneration of each director to the median of the employees of the Company for the financial year 2014-15 :

- Shri Tilak Dhar, CMD	-	28	:	1
- Shri Alok B. Shriram, DMD	-	29	:	1
- Shri Madhav B. Shriram, WTD	-	28	:	1
- Shri K.N. Rao, Director & CEO (Rayons)	-	19	:	1

2. The percentage increase in remuneration of each Director, CFO and Company Secretary in the financial year 2014-15:

- Shri Tilak Dhar, CMD	-	1.91	%	
- Shri Alok B. Shriram, DMD	-	4.32	%	
- Shri Madhav B. Shriram, WTD	-	7.13	%	
- Shri K.N. Rao, Director & CEO (Rayons)	-	11.46	%	

DIRECTORS' REPORT (continued)

- Shri N.K. Jain, CFO - 8.69 %
 - Shri Y.D. Gupta, Company Secretary - 9.76 %
3. Percentage increase in the median remuneration of employees in the financial year - 7.21 %
4. Number of permanent employees on the rolls of the Company: 2370
5. Explanation on the relationship between average increase in remuneration and Company performance:
Though on all parameters the performance of the Company was satisfactory and as per plans, a few external issues beyond the control of the management adversely affected the Company's performance, such as unprecedented fall in sugar prices affecting the entire sugar industry in the Country. As such a realistic assessment of the relationship between average increase in remuneration and Company performance is not feasible.
6. Comparison of the performance of the KMP against the performance of the Company:
See comments under item 5 above.
7. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and the justification thereof, and point out if there are any exceptional circumstances for increase in the managerial remuneration:
Average increase in remuneration of employees other than managerial personnel during the year 2014-15 was 8.90%, whereas the average increase in remuneration of managerial personnel was 5.66%.
8. Comparison of the remuneration of each of the KMP against the performance of the Company:
Please refer to comments under Item 5 above.
9. The key parameters for any variable component of remuneration availed by the Directors:
Because of inadequacy of profits, the managerial personnel were not entitled to commission on profits, which is the variable part of the managerial remuneration, during the year.
10. The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but received remuneration in excess of the highest paid Director during the year: N.A.

Annexure - 7

Statement of Particulars under Section 197(12) of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 forming part of the Report of Directors for the year ended March 31, 2015.

- (A) Employed throughout the year under review and were in receipt of remuneration for the year in aggregate of not less than Rs. 60,00,000/-.

Name	Designation and Nature of Duties	Remuneration Received (Rs.)	Qualification	Experience (Years)	Date of Commencement	Age (Years)	Particulars of Last Employment
Shriram, Alok B.	Dy. Managing Director	6096256	B.Com. (Hons.)	35	01.01.90	54	Dy. General Manager, Shriram Honda Power Equipment Ltd.
Shriram, Madhav B.	Whole Time Director	6099511	B. Com., MBA	27	22.05.90	50	Executive Trainee, Nissho Iwai Corporation

Mr. Alok B. Shriram and Mr. Madhav B. Shriram are related to Mr. Tilak Dhar, CMD.

- (B) Employed for part of the year under review and were in receipt of remuneration for part of the year in aggregate of not less than Rs. 5,00,000 per month. - NIL

CORPORATE GOVERNANCE REPORT

Annexure - 8

Corporate Governance Philosophy

Corporate Governance (CG) refers to the system of structures, rights, duties and obligations by which corporations are directed and controlled. Governance provides the structure through which corporations set and pursue their objectives, while reflecting the context of the social, regulatory and market environment. Governance is a mechanism for monitoring the actions, policies and decisions of the corporations. Though the practices underlining CG were in vogue, the concept gained credence with introduction of Clause 49 of the Listing Agreement more than a decade back.

The Company's CG philosophy is based on the principles of equity, fairness, transparency, spirit of law and honest communication. CG is a continuous process, which keeps evolving and undergoes changes to suit the changing needs of business, society and the nation.

The CG Report in respect of the year ended 31.3.2015 is given below:

Board of Directors

The Company's Board comprises of an ideal combination of executive and non-executive directors, headed by Chairman & Managing Director. Of the 10 directors, 4 are executive directors. Three executive directors represent the promoters. All the non-executive directors are independent directors and are persons of eminence with experience in the fields of finance, law, trade or industry. The Board's composition is in consonance with the CG requirements under Clause 49 of the Listing Agreement and Section 149(4) of the Companies Act, 2013.

Board Meetings, attendance and other directorships

During the year 5 Board meetings were held on 30.05.2014, 14.08.2014, 03.11.2014, 02.02.2015 and 23.03.2015. Attendance and other details are given below:

Sl. No	Name of Director	DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM	Other Directorships**	No. of Committee Memberships *** (other companies)	
							Member	Chairman
1	Shri Tilak Dhar	00204912	CMD (Promoter)	5	Yes	Nil	Nil	Nil
2	Shri Alok B. Shriram	00203808	DMD (Promoter)	5	Yes	2	2	Nil
3	Shri Madhav B. Shriram	00203521	WTD (Promoter)	5	Yes	1	1	Nil
4	Shri K.N. Rao	06730043	Director & CEO (Rayons)	5	Yes	Nil	Nil	Nil
5	Shri P.R. Khanna	00048800	Non-executive/ Independent	5	Yes	5	4	2
6	Dr. V.L. Dutt *	00143013	"	3	Yes	N.A.	N.A.	N.A.
7	Shri S.B. Mathur	00013239	"	5	Yes	9	3	1
8	Shri Ravinder Narain	00059197	"	4	Yes	3	1	1
9	Shri S.C. Kumar	00064453	"	5	Yes	2	1	Nil
10	Shri C. Vikas Rao *	06900458	"	3	N.A.	Nil	Nil	Nil
11	Smt. Kavitha Dutt Chitturi *	00139274	"	Nil	N.A.	2	1	Nil

* For part of the year

** Exclude directorships in private limited companies/foreign companies/ companies registered u/s 8 of the Companies Act.

*** Audit and Stakeholders' Relationship Committees.

The Independent Directors had a separate meeting pursuant to Schedule IV of the Companies Act, 2013. In the said meeting the Independent Directors, inter alia, evaluated the performance of Executive Directors including the Chairman and Non-independent Directors individually and the Board and Committees as a whole.

DIRECTORS' REPORT (continued)

Audit Committee

The Company constituted an Audit Committee of the Board in the year 1991.

Terms of reference

The terms of reference and role of the Audit Committee are as per requirements of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 besides other terms as are laid down by the Board of Directors from time to time.

The Audit Committee, inter alia, ensures that an effective internal financial control system is in place. During the year 4 meetings of the Audit Committee were held on 30.05.2014, 14.08.2014, 03.11.2014 and 02.02.2015.

The Audit Committee comprised of three non-executive independent directors and one executive director. The Company Secretary is the Secretary of this Committee. The attendance at these meetings was as follows:

Name of the Member	Status	No. of Meetings attended
Shri P.R. Khanna	Chairman	4
Shri S.B. Mathur	Member	4
Dr. V.L. Dutt *	Member	3
Shri S.C. Kumar	Member	4
Shri K.N. Rao	Member	4

* For part of the year.

All the Members have extensive financial and accounting knowledge/ background and the Chairman is an expert in accounting and financial management. Apart from the members, CMD, DMD, WTD, President, CFO & representative of the Statutory Auditors attend the meetings.

The Minutes of the Committee are placed before the Board.

Nomination and Remuneration Committee

The Board of Directors rechristened the Remuneration Committee as 'Nomination and Remuneration Committee' (NRC), keeping in view the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The NRC carries out the functions as per the said Section of the Companies Act and the Listing Agreement. The composition, no. of meetings, attendance, etc. of NRC during the year are given below:

Name of the Member	Status	No. of Meetings attended
Dr. V.L. Dutt *	Chairman	2
Shri S.B. Mathur*	Chairman	Nil
Shri P.R. Khanna	Member	3
Shri Ravinder Narain	Member	1
Shri S.C. Kumar	Member	3
Shri Tilak Dhar	Member	3

* For part of the year.

Three meetings of NRC were held on 14.8.2014, 3.11.2014 and 2.2.2015. The Board nominated Shri S.B. Mathur to NRC and designated him Chairman w.e.f. 02.02.2015 in place of Dr.V.L. Dutt.

Remuneration Policy

The Board on the recommendation of the NRC laid down a Remuneration Policy for the Company in line with the requirements of Section 178 of the Companies Act, 2013. A gist of the policy has been given in the Directors' Report. A copy of the Policy has been put on the web-site of the Company.

The details of remuneration of executive directors for the year ended 31.3.2015 are given below :

(Rs./lacs)

Whole-time Directors	Salary	Commission/ Reward	Perquisites	Retirement benefits
Shri Tilak Dhar (CMD)	29.55	--	21.23	7.98
Shri Alok B. Shriram (DMD)	28.35	--	24.96	7.65
Shri Madhav B. Shriram(WTD)	26.55	--	27.28	7.17
Shri K.N. Rao [Director & CEO (Rayons)]	18.36	1.50	16.03	4.96

The appointments are contractual in nature and can be determined at any time by either party giving notice as per terms of appointment. No stock options were issued by the Company to its directors/ employees.

Sitting fees paid to non-executive directors during the financial year and their shareholding in the Company are as under:

Non-Executive Directors	Sitting fees (Rs.)	No. of Shares held (equity/ Rs.10 each)
Shri P.R. Khanna	6,32,500	960
Dr. V.L. Dutt *	2,75,000	3700
Shri S.B. Mathur	5,57,500	--
Shri Ravinder Narain	2,50,000	570
Shri S.C. Kumar	5,00,000	--
Shri C. Vikas Rao *	1,75,000	--

* For part of the year

Stakeholders' Relationship Committee

The Board of Directors renamed the Shareholders Committee as Stakeholders' Relationship Committee pursuant to Section 178 of the Companies Act, 2013. Shri P.R. Khanna, an independent director, is its Chairman. Shri Y.D. Gupta, Company Secretary, is the Secretary of the Committee and is also the Compliance Officer.

The Committee monitors shareholders' complaints, if any, and also approves transfer/ transmission of shares. The Committee meets on need basis.

During the year, the Company received 8 shareholders' complaints all of which have been resolved to the satisfaction of the shareholders. No complaint was pending as on 31.3.2015.

General Body Meetings

The last three Annual General Meetings (AGM) were held at New Delhi at 10 A.M. as under:

Financial Year	Date	Venue
2011-2012	13/08/2012	Air Force Auditorium, Subroto Park, New Delhi - 110010
2012-2013	12/08/2013	- do -
2013-2014	14/08/2014	- do -

No Special resolution was proposed in the AGMs held in the years 2013 and 2014. A Special resolution proposed in the AGM in the year 2012 was not passed.

Postal Ballot

No special resolution was passed last year through postal ballot and no special resolution is proposed to be passed through postal ballot presently.

Disclosures

There were no transactions of material nature with the promoters, the directors, or the management, their subsidiaries or relatives etc. that could have potential conflict with the interest of the Company at large. The relevant disclosures have been given in Note 38(B)(ii) to the stand-alone financial statements.

The Company has complied with all statutory requirements relating to capital markets and there have been no penalties/ strictures imposed on the Company during the last three years on this account.

The Company has adopted a Vigil Mechanism (Whistle Blower Policy) during the year as per Section 177 of the Act and the Listing Agreement. The Policy has been put on the web-site of the Company and widely circulated among the employees. No personnel has been denied access to the Audit Committee.

The Company has complied with all mandatory requirements under Clause 49 of the Listing Agreement pertaining to Corporate Governance.

Means of communication

The Company publishes quarterly, half-yearly and annual results as required under the Listing Agreement. The results are published in one English and one Hindi daily. During the last year the results were published in the Financial Express and the Jansatta. The results are also forwarded to the Bombay Stock Exchange who puts the results on its web-site, www.bseindia.com.

The notice of the AGM along with Annual Report is sent to the shareholders well in advance of the AGM. In cases where the email IDs are notified the same is sent by email. The gist of the notice is also published in newspapers. In addition, the Stock Exchange is notified of any important developments or price sensitive information. Disclosures with regard to shareholding pattern, change in major shareholding, quarterly secretarial capital audit report, CG compliance report, etc.

DIRECTORS' REPORT (continued)

are also sent to the Stock Exchange as required under various Regulations. The Company has a website – www.dcmsr.com – in which general information about the Company, Code of Business Conduct and Ethics, Remuneration Policy, Shareholding Pattern, Related Party Transaction Policy, Quarterly/ Annual results, Code of Conduct framed under SEBI (Prohibition of Insider Trading) Regulations, 2015, etc. have been posted. Particulars of unclaimed dividend/ deposits, etc. are also posted on the website for information of investors.

General Shareholder Information

The AGM will be held on 24th September, 2015 at 10.00 A.M. at Kamani Auditorium, 1, Copernicus Marg (near Mandi House), New Delhi - 110001.

Financial Year – April to March

Date of Book Closure

The Register of members and other share transfer books will remain closed from 17th September, 2015 to 24th September, 2015 (both days inclusive).

Dividend

The Board of Directors has recommended a dividend of Re.1.00 per equity share of Rs.10 (10%) for the year.

Listing on Stock Exchange

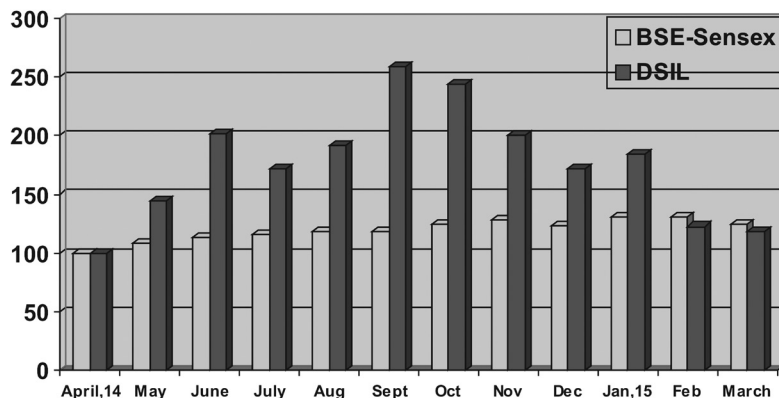
The shares of the Company are listed on Bombay Stock Exchange Limited, P.J. Towers, Dalal Street, Mumbai - 400 001. It is confirmed that the Company has paid Annual Listing Fee to the above Stock Exchange. The Company's stock code on BSE is 523369.

Market price data (BSE)

(Rs.)

Month	April 2014	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. 2015	Feb.	Mar.
High	74.90	92.90	126.95	133.00	127.90	172.90	163.00	166.00	130.00	121.80	119.00	87.40
Low	51.00	61.10	94.00	99.10	94.00	116.60	137.00	120.25	104.40	96.00	72.60	72.20

DCM Shriram Industries Ltd. Vs. BSE Sensex



Share Transfer System

In order to expedite transfer of shares in physical form, the Board had delegated authority to the Company Secretary to approve transfer/ transmission of shares upto 2000 shares in any one case at a time. The share transfers are registered and the certificates returned, duly endorsed, within a fortnight's time by the Registrars. Beyond 2000 shares transfer / transmission of shares are approved by Stakeholders' Relationship Committee.

Karvy Computershare Pvt. Ltd. is the share transfer agent of the Company, having the following addresses:

- Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District.
Nanakramguda, Hyderabad – 500 032
Phone 040-67161500/ 18003454001
Email ID: einward.ris@karvy.com

- New Delhi House, 305, 3rd Floor,
Barakhamba Road, New Delhi - 110001

Phone 011-43681700
Email ID: delhi@karvy.com

The shareholders/ investors may also write to the Company at its Registered Office for any grievance/ share transfer related matters to enable the Company to get the matter sorted out expeditiously.

Distribution of Shareholding

Nominal value of Shareholding Rs.			Shareholders		Face Value	
			Number	%age	(Rs.)	% age
Upto		5000	80861	99.16	16487830	9.48
5001	To	10000	349	0.43	2688530	1.55
10001	To	20000	162	0.20	2293270	1.32
20001	To	30000	59	0.07	1481430	0.85
30001	To	40000	30	0.03	1087860	0.63
40001	To	50000	22	0.03	1002870	0.57
50001	To	100000	26	0.03	1939080	1.11
100001	&	Above	38	0.05	147003500	84.49
TOTAL			81547	100	173984370	100%

Shareholding pattern

Category	No. of shares held (in lacs)	Percentage
Promoters	76.67	44.07
FIs, Banks & Mutual funds	13.44	7.72
Others (public)	83.87	48.21
TOTAL	173.98	100.00

Dematerialization of shares

The shares in the Company are under compulsory dematerialized trading. Up to 31.03.2015, 163.67 lacs (94.07%) equity shares in the Company have been dematerialized. The Company's ISIN No. is INE843D01019.

Outstanding instruments

The Company has not issued any GDRs/ADRs and no convertible instrument is outstanding.

Non-mandatory requirements

The Company has not adopted any of the non-mandatory requirements.

Plant locations

Daurala Sugar Works	Shriram Rayons	Daurala Organics
Daurala	Shriram Nagar	Daurala
Meerut (U.P.)	Kota (Raj.)	Meerut (U.P.)

Address for correspondence with the Company:

'Investor Service Section'
6th Floor, Kanchenjunga Building,
18, Barakhamba Road, New Delhi – 110001.

e-mail ID – investorservices@dcmsr.com

CIN - L74899DL1989PLC035140

Confirmation of compliance of Code of Business Conduct and Ethics

I declare that all Board members, Key Managerial and Senior Management personnel have individually affirmed compliance with the Code of Business Conduct and Ethics adopted by the Company during the year 2014-15.



(Tilak Dhar)

Chairman & Managing Director

May 29, 2015

DIRECTORS' REPORT (continued)

COMPLIANCE CERTIFICATE

To the Members of DCM Shriram Industries Limited

We have examined the compliance of conditions of Corporate Governance by DCM Shriram Industries Limited for the year April 1, 2014 to March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

We state during the year April 1, 2014 to March 31, 2015, 8 investor grievances were received and no investor grievances are pending against the Company as per the records maintained by the Company as on 31.3.2015.

We further 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 M.L. Arora & Co.,
Company Secretaries in Whole-time Practice

(M.L. Arora)
Proprietor
CP No.3209

New Delhi
Date: May 29, 2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company's business comprises of sugar, alcohol, power, chemicals and rayon, with manufacturing facilities at Daurala (U.P.) and Kota (Rajasthan). The Directors' Report gives segment-wise/ product-wise performance and outlook of these operations. The Directors' Report also deals with internal control systems and their adequacy and risk and concerns.

The industry situation and competitive scenarios for the various products are given below:-

Sugar

The Indian Sugar Sector plays an important role in the economy as it affects a large number of growers/ consumers. A large number of people (especially in the rural areas) in Maharashtra, Uttar Pradesh, Karnataka and Tamil Nadu are dependent directly or indirectly on the Sugar Industry. It is duty of all the stakeholders including the Governments to ensure that the Industry remains viable and competitive. The Sugar Industry is also playing an important role in bridging the energy deficit by supplying green power and ethanol, which are environment friendly and saves on foreign exchange.

In the absence of corrective measures, the Sugar Season 2014-15, added to the already high sugar inventory in the Country with final production for the season expected at over 27 Million MT as against consumption of 23 Million MT. The Industry is expected to have a carry over a record sugar stock of 10 Million MT into the next Sugar Season i.e. 2015-16. This has depressed the sugar sentiments resulting in sugar prices, being at lowest levels in past five years and cane dues getting accumulated to over Rs.19250 crs. as at March, 2015. For the available sugar stocks to be moderate, efforts need to be made by way of exports and by buffer stock creation.

The State and Central Governments are abreast of the sugar situation and have announced some incentives to provide relief to the Sector, some of which are as under:

- The Uttar Pradesh Government has kept the State Advised Price same as last year while announcing purchase & entry tax waivers and cane society commission remission. Moreover, additional relief of Rs.8.60 per qtl. has been indicated in case sugar price remained below the threshold limits of Rs.3100 per qtl. Further, relief of upto Rs.20 per qtl. would be considered by a committee in case sugar prices fall below the threshold limit as indicated above.
- The Central Government has increased import duty from 15% to 40%, though it was late in coming.
- Additional incentive of Rs.4000 per MT declared on export of raw sugar. However, at current prices no import / export are taking place.

In absence of some major steps suggested by the Industry to the Government, the above actions have failed to achieve the desired results.

Future of the Industry would depend on Government's effective actions to address the surplus stock position by way of buffer stock creation and export promotion. The long term solution shall be in building rational linkage between sugar & sugar cane prices; a proactive Import-Export policy to sustain Domestic cane prices.

Worried about their high cane dues, the cane growers had a meeting with the concerned Central Ministers on 15th March, 2015 wherein they have represented that at current sugar prices the payment of cane dues will remain problematic. They have requested the Government to take following steps to support sugar prices / ensure payment of their cane dues: -

- Creation of buffer stock equivalent to surplus stock
- Re-imposition of release mechanism
- Additional subsidy to Sugar Industry
- Increase in import duty

The Government has sought time to examine their suggestions and a meeting was held with major cane growing State Governments to find a long term solution.

In the meanwhile, the Unit is making continued efforts to improve its operating parameters. Towards this the Company has been able to successfully popularise a new variety of cane having high yield & sucrose content, which has already helped in improving the sugar recovery. This effort is continuing. The operations of the Company's Sugar Unit continues to be satisfactory.

Alcohol

The performance of the Alcohol Business was affected due to higher prices of molasses on one hand and limited sales on the other, the latter being because of soft international prices. For the same reason, exports in the year were less than half of the previous year, in quantitative terms.

The expected increase in consumption under the Gasohol Programme did not materialize on account of difficult pricing and commercial terms offered by the Oil Marketing Companies and non commencement of the Programme in some major States like Maharashtra, Karnataka etc.

Consequent to the above, margins were under pressure and there was some decline in the sales volumes. The Company made serious efforts to partially counter the above by maintaining high efficiencies and optimum energy use.

Chemicals

While the demand for our main products continued to be stable, Chinese competitors resorted to aggressive pricing particularly in the last quarter of the financial year when the Chinese Govt. reintroduced significant export incentives. Further, due to the depreciating Euro, the European competitor also resorted to aggressive pricing.

Demand for chlorinated products was also stable. Prices were under pressure for some products due to excess domestic capacity/availability.

The price of some of the Company's raw materials, which had peaked in the previous year, declined giving some relief in the cost of production. Contract manufacturing activity ebbed due to demand constraints faced by the Client in respect of its finished products.

The Company continued its efforts towards diversifying, process improvements through R&D, and optimizing energy consumption.

Rayon

Shriram Rayons has manufacturing facilities for Rayon tyre cord yarn, grey fabric and treated fabric. The products are used as reinforcement material in high performance tyres.

The Unit has been working simultaneously on debottlenecking the production facilities and increasing the market share by focusing on its capability to produce value added treated fabric which is readily used by the Tyre manufacturers. This strategy has helped the Unit in consistently improving its export performance, although the overall market requirement in the tyre cord segment is stable with marginal growth.

The export margins were adversely affected during the year due to steep depreciation in Euro. This does not affect our competitors in Europe.

The Unit has taken various cost control and productivity measures which help us to stay competitive.

Shriram Rayons also produces Nylon Chafer which is sold to domestic tyre manufacturers. Its market was affected due to depressed automobile market in the Country.

The Unit has a Power House to meet the process steam requirement as well as part of its power requirement.

To increase usage of agro fuel, the Unit commissioned one more boiler during the year. This will help the Unit to meet the fuel requirement without depending on expensive open market coal. One more off site husk storage facility was also established in order to procure husk at competitive price during the season.

One 2 MW Extraction-Backpressure Turbine was also commissioned during the year to generate power from process steam in cost effective manner.

One 10 KW roof top Solar Power Plant has been installed for supplying power to Administrative Block.

Material Development in human resources/ industrial relations front

The Company's HR measures revolve around the philosophy that a dedicated, enlightened and contented work force is the life line for any business to achieve its goals and the strength of any organization is its employees. The Company continued its focus on development of its human resources to meet the present and future challenges with enhanced skills.

Industrial relations remained cordial in all its operations during the year.

The Company undertakes various activities with community participation, keeping the larger interests of the society, in the areas of education, health care, rural development, environmental protection and infrastructure development in the areas where the Company's manufacturing units are located.

Environment protection

Tree plantation is an on-going activity both at Daurala and Kota. This activity not only improves the quality of air in the area, but also mitigates green house emissions, which are the major cause of global warming.

DSW has upgraded its power house and processes and stopped using coal as a fuel. Various agro-fuels, locally available, including bagasse, rice husk, sawdust and wood chips, etc. are being used instead. Continuous efforts are being made to reduce power consumption. Shriram Rayons also shifted to agrowaste fuels replacing fossil fuels.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
DCM SHRIRAM INDUSTRIES LIMITED

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to note 45 which sets out the position regarding sugarcane subsidy aggregating Rs. 3277.93 lacs accounted by the Company in these financial statements. As indicated in this note, necessary adjustments would be made on final determination of the amount of subsidy.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (e) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 and 33(a) to (c) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses—Refer Note 34(b) to the financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For A. F. Ferguson & Co.
Chartered Accountants
(Firm's Registration No. 112066W)

Jaideep Bhargava
Partner
(Membership No. 090295)

Place : New Delhi
Date : 29.5.2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the Company has a programme of physically verifying all its fixed assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, some of the fixed assets were physically verified by the management during the year. The discrepancies noticed on such verification between the physical balances and the fixed assets records were not material and have been properly dealt with in the books of account.
- (ii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals other than for stock lying with third parties and/ or goods in transit for which confirmations have been obtained and subsequent receipts have been verified in most of the cases.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

INDEPENDENT AUDITORS' REPORT (continued)

- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories and fixed assets and the sale of goods and services. During the course of our audit we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of deposits accepted in earlier years, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under Section 148(1) 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:
- The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Wealth Tax, Entry Tax, Purchase Tax, Customs Duty, Excise Duty, Value Added Tax, Works Contract Tax, Cess and other material statutory dues applicable to it and generally been regular in depositing dues in case of Tax Deducted At Source, Service Tax and Sales Tax with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - Details of dues of Excise Duty, Service Tax, Income-tax and Sales Tax matters which have not been deposited as on 31st March, 2015 by the Company on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount involved * (Rs. lacs)	Amount paid under protest (Rs. lacs)
Central Excise Act, 1944	Excise Duty	High Court	March '86 to December '89	20.00	-
	Modvat Credit	Commissioner (Appeals)	1995-96, November '04 to December '08	31.79	-
Service Tax Laws- Finance Act, 1994	Service Tax	Deputy Commissioner	January '08 to October '08	1.44	-
		Customs, Excise & Service Tax Appellate Tribunal	July '12 to March '14	236.16	10.00
		Assistant Commissioner, Central Excise & Customs	December '09 to December '10	4.28	-
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2003-06	1708.75	1708.75
Sales Tax Laws	Sales Tax	Additional Commissioner (Appeals)	2004-05, 2010-11 and 2011-12	10.09	3.08
		Joint Commissioner	2010-11	0.11	-

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

Further, in respect of following matters, the concerned authority is in appeal against favourable orders received by the Company:

Name of the Statute	Nature of dues	Forum where department has preferred appeal	Period to which the amount relates (various years covering the period)	Amount involved * (Rs. lacs)
Central Excise Act, 1944	Excise duty	Customs, Excise & Service Tax Appellate Tribunal	2003-08	26.71
		High Court	1998-99	3.54
	Modvat Credit	High Court	1995-96	15.15
Service Tax Laws- Finance Act, 1994	Service Tax	Customs, Excise & Service Tax Appellate Tribunal	2005	2.01
Sales Tax Laws	Sales Tax	High Court	1976-80, 1982-85, 1989-90, 1992-93, 1995-98 and 2008-11	129.44

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

We have been further informed that there are no dues in respect of Wealth Tax, Customs Duty, Value Added Tax and Cess which have not been deposited as on 31st March, 2015 on account of any dispute.

- (d) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1of 1956) and Rules made thereunder within time.
- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not issued any debentures during the year.
- (x) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For A. F. Ferguson & Co.
Chartered Accountants
(Firm's Registration No. 112066W)

Place : New Delhi
Date : 29.5.2015

Jaideep Bhargava
Partner
(Membership No. 090295)

Balance Sheet as at March 31, 2015

Particulars	Note No.	As at 31.03.2015 Rs.lacs	As at 31.03.2014 Rs.lacs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,739.84	1,739.84
Reserves and surplus	3	<u>21,094.13</u>	<u>21,424.47</u>
		22,833.97	23,164.31
Non-current liabilities			
Long - term borrowings	4	8,117.18	8,145.66
Deferred tax liabilities (Net)	5	5,394.32	4,789.19
Other long-term liabilities	6	188.23	275.52
Long-term provisions	7	<u>838.88</u>	<u>906.85</u>
		14,538.61	14,117.22
Current liabilities			
Short-term borrowings	8	30,402.57	17,910.77
Trade payables	9	24,659.07	31,991.06
Other current liabilities	10	6,407.13	6,732.52
Short-term provisions	11	<u>431.07</u>	<u>1,006.14</u>
		61,899.84	57,640.49
TOTAL		<u>99,272.42</u>	<u>94,922.02</u>
ASSETS			
Non-current assets			
Fixed assets	12		
- Tangible assets		31,919.80	29,295.42
- Capital work in progress		<u>871.62</u>	<u>1,846.17</u>
		32,791.42	31,141.59
Non - current investments	13	613.40	613.40
Long - term loans and advances	14	<u>3,341.94</u>	<u>2,696.22</u>
		36,746.76	34,451.21
Current assets			
Current investments	15	1,241.49	2,140.00
Inventories	16	42,733.33	41,423.42
Trade receivables	17	9,628.34	11,233.87
Cash and cash equivalents	18	685.80	735.51
Short - term loans and advances	19	4,258.48	4,387.49
Other current assets	20	<u>3,978.22</u>	<u>550.52</u>
		62,525.66	60,470.81
TOTAL		<u>99,272.42</u>	<u>94,922.02</u>

Significant Accounting Policies

1

Accompanying notes 1 to 47 form part of the financial statements

In terms of our report attached
For A. F. FERGUSON & CO.
Chartered Accountants

Jaideep Bhargava
Partner

Place : New Delhi
Date : 29.5.2015

B.P. Khandelwal
President
N.K. Jain
Chief Financial Officer
Y.D. Gupta
Sr. General Manager &
Company Secretary

For and on behalf of the Board

Shri Tilak Dhar
Chairman & Managing Director
Shri Alok B. Shriram
Dy. Managing Director

Shri K.N. Rao
Shri P.R. Khanna
Shri S.B. Mathur
Shri Ravinder Narain
Shri S.C. Kumar
Shri C. Vikas Rao
Smt. Kavitha Dutt Chitturi
Directors

Statement of Profit and Loss for the year ended March 31, 2015



Particulars	Note No.	Year ended	Year ended
		31.03.2015	31.03.2014
		Rs. lacs	Rs. lacs
REVENUE			
Revenue from operations	21	1,34,809.19	1,37,160.16
Less: Excise duty		4,959.12	5,830.12
		<u>1,29,850.07</u>	<u>1,31,330.04</u>
Other income	22	693.12	1,570.13
TOTAL REVENUE		<u>1,30,543.19</u>	<u>1,32,900.17</u>
EXPENSES			
Cost of materials consumed	23	76,677.55	73,297.00
Purchase of traded goods	24	10,650.83	11,240.43
(Increase)/ Decrease in inventories of finished goods, work-in-progress and traded goods	25	(860.84)	2,736.47
Employee benefits expense	26	9,243.88	8,964.55
Finance costs	27	4,067.53	3,993.78
Depreciation	28	1,828.00	2,218.12
Other expenses	29	27,770.23	25,880.69
TOTAL EXPENSES		<u>1,29,377.18</u>	<u>1,28,331.04</u>
Profit before tax		1,166.01	4,569.13
Tax expense:	30		
Current tax		-	1,107.10
Deferred tax charge		728.26	562.22
		<u>728.26</u>	<u>1,669.32</u>
Profit for the year		<u>437.75</u>	<u>2,899.81</u>
Earnings per equity share - basic/ diluted (Rs.)	31	2.52	16.67
Significant Accounting Policies	1		

Accompanying notes 1 to 47 form part of the financial statements

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Smt. Kavitha Dutt Chitturi
Directors

Cash Flow Statement for the year ended March 31, 2015

	Year ended <u>31.03.2015</u> Rs. lacs	Year ended <u>31.03.2014</u> Rs. lacs
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,166.01	4,569.13
Adjustments for :		
Depreciation	1,828.00	2,218.12
Finance Costs	4,067.53	3,993.78
Interest income	(154.38)	(181.07)
Provisions for contingencies	-	100.00
Profit on sale of fixed assets	(69.58)	(59.76)
Loss on sale of fixed assets	14.19	25.99
Investments written off	-	0.11
Profit on sale of current investments	(38.79)	(76.63)
Operating profit before working capital changes	6,812.98	10,589.67
Adjustments for :		
(Decrease) / Increase in trade payables, other current liabilities and short term provisions	(7,313.18)	9,325.63
Decrease in long term liabilities & long term provisions	(95.55)	(0.97)
Increase in trade receivables, short term loans & advances and other current assets	(1,771.03)	(3,368.63)
Decrease in long term loans & advances and other non current assets	128.01	347.35
(Increase) / Decrease in inventories	(1,309.91)	2,574.31
Cash (used in) / generated from operations	(3,548.68)	19,467.36
Net income tax paid	(1,034.75)	(879.50)
Net cash (used in) / generated from operating activities (A)	(4,583.43)	18,587.86
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(3,860.57)	(2,751.04)
Proceeds from sale of fixed assets	105.18	91.64
Purchase of current non trade investments	(715.00)	(2,190.00)
Proceeds from sale of current non trade investments	1,652.30	697.27
Movement in bank balances not considered as cash and cash equivalents	124.76	70.71
Interest received	232.25	197.26
Net cash (used in) investing activities (B)	(2,461.08)	(3,884.16)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	3,398.62	4,600.29
Repayment of long term borrowings	(3,855.09)	(4,140.23)
Increase / (Decrease) in short term borrowings	12,491.80	(11,334.82)
Finance Costs (Includes borrowing costs capitalised)	(4,226.34)	(4,025.55)
Dividend on equity share capital paid	(585.94)	(257.71)
Corporate dividend tax paid	(103.49)	(44.35)
Net cash generated from / (used in) financing activities (C)	7,119.56	(15,202.37)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	75.05	(498.67)
Cash and cash equivalents at the beginning on the year	322.01	820.68
Cash and cash equivalents at the close of the year	397.06	322.01

In terms of our report attached
For A. F. FERGUSON & CO.
Chartered Accountants

Jaideep Bhargava
Partner

Place : New Delhi
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Shri S.C. Kumar
Shri C. Vikas Rao
Smt. Kavitha Dutt Chitturi
Directors

1. Significant Accounting Policies

a) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the 1956 Act / 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention, as modified to include the revaluation of certain fixed assets. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make prudent and reasonable estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the results of operations during the year. Differences between the actual results and estimates are recognised in the year in which the results are known or materialised.

c) Fixed assets

i) Owned assets

All fixed assets are stated at cost of acquisition or construction including taxes and other incidental expenses related to acquisition, installation cost, except for certain assets which are revalued and are, therefore, stated at their revalued book values. Financing costs (up to the date the assets are ready for their intended use) relating to borrowed funds or deferred credits attributable to acquisition or construction of fixed assets are included in the gross book value of fixed assets to which they relate.

ii) Impairment of fixed assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

d) Depreciation

i) Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in the Schedule II to the Companies Act, 2013.

ii) Depreciation is calculated on a pro-rata basis only in respect of additions to plant and machinery having a cost in excess of Rs. 5000. Assets costing upto Rs. 5000 are fully depreciated in the year of purchase. No depreciation is provided on assets sold, discarded, etc. during the year.

iii) In respect of revalued assets, an amount equivalent to the additional charge arising due to revaluation is transferred from the Revaluation reserve to General Reserve.

iv) No write-off is made in respect of leasehold land in case of long term lease.

e) Investments

Long term investments are stated at cost as reduced by amounts written off / provision made for diminution, other than temporary, in the value of such investments. Current investments are stated at cost or fair value, whichever is lower.

f) Inventories

Stores and spares are valued at cost or under. Stock-in-trade is valued at the lower of cost and net realisable value. Cost of inventories is ascertained on a 'weighted average' basis. In the case of finished goods and process stocks, appropriate share of labour, overheads and excise duty is included.

g) Research and development

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

h) Government Grants, subsidies and export benefits

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the same will be received. Government grants and subsidies are recognised as income and /

Notes forming part of the financial statements (continued)

or as reduction of cost over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

i) Employee benefits

Provision for employee benefits charged on accrual basis is determined based on Accounting Standard (AS) 15 (Revised) "Employee Benefits" as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- i) Contributions to the provident fund, gratuity fund and superannuation fund are charged to revenue.
- ii) Gratuity liability determined at balance sheet date on an actuarial basis is provided to the extent not covered by the funds available in the gratuity fund. Excess funding, if any, is recognised as an asset.
- iii) Provision for privilege and medical leave salary is determined on actuarial basis.
- iv) Provision for casual leave is determined on arithmetical basis.
- v) Actuarial gains / losses are recognised immediately in the Statement of Profit & Loss.

j) Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction.

Monetary items denominated in foreign currency are reported using the closing exchange rates on the date of the balance sheet.

The exchange differences arising on settlement of monetary items or on reporting these items at the rates different from the rates at which these were initially recorded / reported in previous financial statements, are recognised as income / expense in the year in which they arise.

In case of forward exchange contracts, the premium or discount, arising at the inception of such contracts is amortised as income or expense over the life of the contract and the exchange differences on such contracts, i.e., differences between the exchange rates at the reporting/ settlement date and the exchange rates on the date of inception of contract/ the last reporting date, is recognised as income / expense for the year.

k) Revenue recognition

Sale of goods is recognised, net of returns and trade discounts, on the transfer of significant risks and rewards of ownership to the buyer which generally coincides with the dispatch of goods to customers. Gross sales are inclusive of excise duty and net of value added tax / sales tax.

Sale of Renewable Energy Certificates (RECs) is recognised as income on delivery of the RECs to customer's account as evidenced by confirmation of delivery instructions.

Other income includes interest income accounted on time - proportion basis and dividend income accounted for as and when the right to receive the payment is established.

l) Income-tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. In respect of unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

m) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2. Share capital

	As at <u>31.03.2015</u> Rs. lacs	As at <u>31.03.2014</u> Rs. lacs
Authorised		
6,50,00,000 (2013-14 - 6,50,00,000) Equity shares of Rs. 10 each	<u>6,500.00</u>	<u>6,500.00</u>
Issued, subscribed and fully paid up		
1,73,98,437 (2013-14 - 1,73,98,437) Equity shares of Rs. 10 each	<u>1,739.84</u>	<u>1,739.84</u>
	<u>1,739.84</u>	<u>1,739.84</u>

- (i) There has been no movement in the equity shares in the current and previous year
- (ii) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.
- (iii) Shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at <u>31.03.2015</u> No. of shares	As at <u>31.03.2014</u> No. of shares
a) Bantam Enterprises Private Limited	1,345,320	1,345,320
b) HB Stockholdings Limited	4,346,615	4,346,615
c) Life Insurance Corporation of India	1,331,259	1,331,259
d) Lily Commercial Private Limited	1,033,243	1,033,243
e) Versa Trading Limited	2,224,725	2,224,725

3. Reserves and surplus

	As at <u>31.03.2015</u> Rs. lacs	As at <u>31.03.2014</u> Rs. lacs
Amalgamation Reserve *	1,411.38	1,411.38
Capital Redemption Reserve	0.10	0.10
Securities Premium Account	3,406.68	3,406.68
Revaluation Reserve	1,711.27	2,169.46
General Reserve	13,358.25	2,902.69
Surplus in Statement of Profit and Loss	1,206.45	11,534.16
	<u>21,094.13</u>	<u>21,424.47</u>

* Arose on amalgamation of Daurala Organics Limited with the Company.

	As at <u>31.03.2015</u> Rs. lacs	As at <u>31.03.2014</u> Rs. lacs
Movement in reserves and surplus is as under:		
(a) Revaluation Reserve		
Opening balance	2,169.46	2,379.73
Less: Transferred to Statement of Profit and Loss for set off against depreciation (Refer note 28)	-	207.93
Less: Revaluation amount adjusted in carrying amount of fixed assets transferred to General reserve (Refer note 46)	316.94	-
Less: Depreciation on revalued amount of fixed assets transferred to General reserve (Refer note 1(d)(iii) and note 46)	138.62	-
Less: Utilised for set off on deletion of revalued assets	2.63	2.34
Closing balance	<u>1,711.27</u>	<u>2,169.46</u>
(b) General Reserve		
Opening balance	2,902.69	2,602.69
Add : Transferred from Surplus in Statement of Profit and Loss	10,000.00	300.00
Add : Transferred from revaluation reserve	455.56	-
Closing balance	<u>13,358.25</u>	<u>2,902.69</u>

Notes forming part of the financial statements (continued)

	As at <u>31.03.2015</u> Rs. lacs	As at <u>31.03.2014</u> Rs. lacs
(c) Surplus in Statement of Profit and Loss		
Opening balance	11,534.16	9,646.79
Add: Profit for the year	<u>437.75</u>	<u>2,899.81</u>
	11,971.91	12,546.60
Less :Carrying amount of fixed Assets (net of deferred tax) adjusted (Refer note no. 46)	556.06	-
Less:Appropriations		
Transferred to General Reserve	10,000.00	300.00
Proposed Dividend on Equity shares [Dividend per share Rs. 1.00 (2013-14 -Rs. 3.50)]	<u>173.98</u>	<u>608.95</u>
Tax on Dividend	35.42	103.49
Closing balance	<u>1,206.45</u>	<u>11,534.16</u>

4. Long - term borrowings

	As at <u>31.03.2015</u> Rs. lacs	As at <u>31.03.2014</u> Rs. lacs
Secured		
Term loans		
- From banks	10,230.15	9,879.02
- From others	<u>721.98</u>	<u>1,082.97</u>
	10,952.13	10,961.99
Unsecured		
Public deposits	535.11	977.04
	<u>11,487.24</u>	<u>11,939.03</u>
Less : Current maturities of long term borrowings	<u>3,370.06</u>	<u>3,793.37</u>
	8,117.18	8,145.66

	As at <u>31.03.2015</u> Rs. lacs	As at <u>31.03.2014</u> Rs. lacs
Details of Current maturities of long term borrowings:		
Secured		
Term loans		
- From banks	2,725.54	2,992.96
- From others	<u>360.99</u>	<u>360.99</u>
Unsecured		
Public deposits	283.53	439.42
	<u>3,370.06</u>	<u>3,793.37</u>

SECURED

I. Banks

- Nil (2013-14 – Rs. 200.00 lacs), Rs. 141.00 lacs (2013-14 – Rs. 713.00 lacs), Rs. 1250.00 lacs (2013-14 – Rs. 1875.00 lacs), Rs. 1178.13 lacs (2013-14 – Rs. 1450.00 lacs) and Rs. 1050.00 lacs (2013-14 – Rs. 276.33 lacs) currently carrying interest between 7.75% to 13.00% (net of interest subvention) and repayable in 0, 1, 8, 13 and 20 quarterly installments respectively are secured by a first mortgage and charge on all the immovable and movable properties of the Company excluding all assets of Daurala Organics, a unit of the Company, subject to prior charges created / to be created in favour of the Company's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of existing first charge holders for their respective term loans.
- Rs. 555.33 lacs (2013-14 – Rs. 1025.92 lacs) carrying interest of 12.50% and repayable in 5 quarterly installments is secured by first pari-passu charge on entire fixed assets of the Company, both present and future, excluding the assets exclusively charged and those pertaining to Daurala Organics, a unit of the Company, subject to prior charges created / to be created in favour of the Company's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created / to be created in favour of existing first charge holders for their respective term loans / debentures. Also exclusive charge on assets to be acquired in Daurala Organics, a unit of the Company.
- Nil (2013-14 – Rs. 163.71 lacs), Rs. 240.00 lacs (2013-14 – Rs. 360.00 lacs), Rs. 840.00 lacs (2013-14 – Rs. 1120.00 lacs) and Rs. 721.87 lacs (2013-14 – Rs. 414.88 lacs) currently carrying interest between 7.50% to 12.75% (net of interest subvention) and repayable in 0, 8, 12 and 14 quarterly installments respectively are secured by first charge on specific movable assets of Shriram Rayons, a unit of the Company.

- d) Rs. 81.00 lacs (2013-14 – Rs. 231.00 lacs) currently carrying interest of 14.25% repayable in 3 quarterly installments is secured by a first mortgage and charge on all the immovable and movable properties (save and except book debts) of Daurala Organics, a unit of the Company, subject to prior charges created / to be created in favour of the Company's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of existing first charge holders for their respective term loans.
- e) Rs. 459.92 lacs (2013-14 – Rs.124.46 lacs) currently carrying interest of 12.50% repayable in 14 quarterly installments is secured by a first mortgage and charge on all the immovable and movable properties (save and except book debts) of Daurala Organics, a unit of the Company, both present and future, excluding the assets exclusively charged subject to prior charges created / to be created in favour of the Company's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of existing first charge holders for their respective term loans.
- f) Rs. 1900.00 lacs (2013-14 – Rs.1900.00 lacs) and Rs. 235.00 lacs (2013-14 – Nil) carrying Nil interest (net of interest subvention) repayable in 36 monthly installments is secured by residual charge on fixed assets of sugar factory at Daurala Sugar Works, a unit of the Company.
- g) Rs. 1560.00 lacs (2013-14 -Nil) carrying Nil interest (net of interest subvention) repayable in 12 quarterly installments is secured by a first mortgage and charge on all the immovable and movable properties of the Company excluding all assets of Daurala Organics, a unit of the Company, subject to prior charges created / to be created in favour of the Company's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of existing first charge holders for their respective term loans and 2nd pari-passu charge on all current assets of sugar division of the company excluding stocks pledged with Distt. Co-operative Banks.
- h) Rs. 17.90 lacs (2013-14 – Rs. 24.72 lacs) currently carrying interest of 11.25% repayable in 38 monthly installments are secured by hypothecation of specific assets.

II. Others

Rs. 721.98 lacs (2013-14 – Rs.1082.97 lacs) carrying interest of 4% and repayable in 2 yearly installments is secured by exclusive second charge on immovable and movable assets of sugar factory at Daurala Sugar Works, a unit of the Company.

5. Deferred tax liabilities (Net)

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
(a) Deferred tax liabilities		
- Depreciation	6,163.68	5,630.28
(b) Deferred tax assets		
- Accrued expenses deductible on payment	219.27	405.98
- Provision for gratuity and leave salary	332.43	374.07
- Provision for doubtful debts and advances	12.27	13.77
- Unabsorbed depreciation	169.09	-
- Others	36.30	47.27
	769.36	841.09
Net	5,394.32	4,789.19

6. Other long - term liabilities

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Trade payables		
- Micro and small enterprises*	-	-
- Others	43.38	78.13
Others		
- Interest accrued but not due on borrowings	78.59	138.30
- Others	66.26	59.09
	188.23	275.52

* Refer note 36

7. Long - term provisions

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Provision for employee benefits *		
- Gratuity	76.71	262.92
- Leave salary	662.17	543.93
Provision for contingencies **	100.00	100.00
	838.88	906.85

* Refer note 43

** Refer note 32

Notes forming part of the financial statements (continued)

8. Short - term borrowings

	As at <u>31.03.2015</u>	As at <u>31.03.2014</u>
	Rs. lacs	Rs. lacs
Loans repayable on demand - Secured from banks *	30,252.57	17,910.77
- Unsecured from others	<u>150.00</u>	-
	<u>30,402.57</u>	<u>17,910.77</u>

* Secured by hypothecation / pledge of stocks / stores, both present and future. Some of these are further secured by hypothecation of book debts/receivables and also by way of second/third pari-passu mortgage and charge on the fixed assets, both present and future.

9. Trade payables

	As at <u>31.03.2015</u>	As at <u>31.03.2014</u>
	Rs. lacs	Rs. lacs
Acceptances	2,603.72	3,602.31
Trade payables		
- Micro and small enterprises*	1.35	-
- Others	<u>22,054.00</u>	28,388.75
	<u>24,659.07</u>	<u>31,991.06</u>

* Refer note 36

10. Other current liabilities

	As at <u>31.03.2015</u>	As at <u>31.03.2014</u>
	Rs. lacs	Rs. lacs
Current maturities of long term borrowings *	3,370.06	3,793.37
Interest accrued but not due on borrowings	179.34	206.25
Unclaimed dividends	71.66	48.65
Unclaimed deposits and interest accrued thereon	1.54	7.65
Payables for fixed assets		
- Micro and small enterprises **	-	-
- Others	294.93	277.84
Other payables		
- Statutory dues	1,837.40	1,666.41
- Advances from customers	190.18	322.55
- Security deposits	283.65	221.59
- Others	<u>178.37</u>	188.21
	<u>6,407.13</u>	<u>6,732.52</u>

* Refer note 4

** Refer note 36

11. Short - term provisions

	As at <u>31.03.2015</u>	As at <u>31.03.2014</u>
	Rs. lacs	Rs. lacs
Provision for employee benefits *		
- Leave salary	221.67	293.70
Proposed dividend	173.98	608.95
Tax on dividend	<u>35.42</u>	103.49
	<u>431.07</u>	<u>1,006.14</u>

* Refer note 43

12. Fixed Assets Rs.lacs

Particulars	Gross block			Depreciation				Net block	
	As at 31.03.2014	Additions	Deductions	As at 31.03.2015	For the year	On deductions	Other Adjustment #	As at 31.03.2015	As at 31.03.2014
Tangible Assets									
Land	1,290.67	-	-	1,290.67	-	-	-	-	1,290.67
Buildings	7,395.70	581.74	10.48	7,966.96	214.73	5.61	150.41	4,255.83	3,499.40
Plant and equipment	52,836.29	4,225.89	15.02	57,047.16	1,366.29	7.41	450.33	30,968.91	23,676.59
Furniture and fixtures	569.49	30.86	7.64	592.71	42.95	4.17	23.82	496.17	135.92
Vehicles	706.71	162.78	81.18	788.31	96.72	50.04	3.05	352.15	404.29
Office equipment	612.22	182.72	20.04	774.90	107.31	14.71	51.58	467.85	288.55
Total Tangible Assets	63,411.08	5,183.99	134.36	68,460.71	1,828.00	81.94	679.19	36,540.91	31,919.80
Previous year	61,060.61	2,671.63	321.16	63,411.08	2,426.05	260.95	-	34,115.66	29,295.42
Capital work in progress									
								871.62	1846.17

i) The Company had revalued its land and buildings as at March 31, 1993 and plant and equipment (other than office equipment) as at April 1, 1993. Land, buildings and plant and equipment (other than office equipment) were again revalued on March 31, 1999. These revaluations which were based on depreciated current replacement values on the basis of an independent valuation through an approved valuer resulted in a net increase in the gross block by Rs.16283.80 lacs of which Rs. 12079.13 lacs (2013-14 Rs.12087.75 lacs) is included in the gross block of fixed assets as on March 31, 2015. The revaluation amount included in net block is Rs. 789.07 lacs (2013-14 -Rs.789.07 lacs) in Land. Rs. 536.88 lacs (2013-14 – Rs.577.62 lacs) in Buildings and Rs. 385.32 lacs (2013-14 – Rs.802.77 lacs) in Plant & equipment.

ii) Some of the titles in land and other properties acquired from DCM Limited pursuant to the Scheme of Arrangement are yet to be endorsed in the name of the Company.

iii) The amount of borrowing cost capitalised to fixed assets - plant and equipment during the year is Rs. 70.76 lacs (2013-14 Rs.5.42 lacs)

Refer note 46

Notes forming part of the financial statements (continued)

13. Non-current investments*

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Trade Investments – Unquoted		
Investments in equity instruments		
- Daurala Co-operative Development Union Limited 2 (2013-14 - 2) Equity shares of Rs. 10 each, fully paid-up @ (Rs.20)	@	@
Other Investments - Unquoted		
Investments in equity instruments		
- Investment in shares of Subsidiary company		
- Daurala Foods & Beverages Private Limited 74,99,990 (2013-14 - 74,99,990) Equity shares of Rs.10 each, fully paid-up	447.40	447.40
- Investment in shares of Associate company		
- DCM Hyundai Limited 19,72,000 (2013-14 - 19,72,000) Equity shares of Rs. 10 each, fully paid up	166.00	166.00
Investment in preference shares		
- Versa Trading Limited 7,00,000 (2013-14 - 7,00,000) 5% redeemable non-cumulative Preference shares of Rs. 100 each, fully paid-up	700.00	700.00
Less : Provision for diminution in value	700.00	700.00
	<u>613.40</u>	<u>613.40</u>
(i) Aggregate amount of unquoted investments (net of provision for diminution in value)	613.40	613.40
(ii) Aggregate provision for diminution in value of investments	700.00	700.00
* Refer Note 1 (e)		

14. Long-term loans and advances

(unsecured, considered good unless otherwise stated)

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Capital advances	83.65	344.67
Security deposits	268.89	379.74
MAT Credit entitlement	1,550.66	1,262.73
Advance tax (net of provision)	1,097.33	350.51
Other loans and advances		
- Excise, Cenvat and VAT receivable	297.25	301.37
- To employees	30.29	39.19
- Others		
- Unsecured - considered good	13.87	18.01
- Unsecured - considered doubtful	1.30	3.94
	<u>3,343.24</u>	<u>2,700.16</u>
- Less : Provision for doubtful advances	1.30	3.94
	<u>3,341.94</u>	<u>2,696.22</u>

15. Current investments *

	As at <u>31.03.2015</u> Rs. lacs	As at <u>31.03.2014</u> Rs. lacs
Investments in Mutual Funds – Fully paid up – Unquoted		
16827.250 (2013-14 – 28466.237) Reliance Money Manager Fund Growth Plan – Growth units of Rs. 1000 each	320.00	500.00
147057.575 (2013-14 – 203598) Birla Sunlife Saving Fund - Growth Regular Plan units of Rs.10 each	391.49	500.00
36967.546 (2013-14 – 36967.546) IDBI Liquid Fund - Direct Plan Growth units of Rs. 1000 each	500.00	500.00
972.204 (2013-14 – Nil) SBI Magnum Insta cash Fund - Regular Plan Growth units of Rs.1000 each	30.00	-
Nil (2013-14 – 1102082.201) HDFC Cash Management Fund Treasury Advantage Plan Retail – Growth units of Rs. 10 each	-	300.00
Nil (2013-14 – 1760780.378) HSBC Ultra Short Term Bond Fund Growth units of Rs. 10 each	-	200.00
Nil (2013-14 – 669379.246) HSBC Short Term Plan Income Fund Growth units of Rs. 10 each	-	140.00
	<u>1,241.49</u>	<u>2,140.00</u>
Aggregate repurchase price of units of mutual funds	1,302.27	2,150.69

* Refer note 1(e)

16. Inventories *

	As at <u>31.03.2015</u> Rs. lacs	As at <u>31.03.2014</u> Rs. lacs
Raw materials **	5,742.64	5,817.26
Work-in-progress	1,395.13	1,557.26
Finished goods ***	31,645.84	30,612.92
Traded goods	24.01	33.96
Stores and spares	3,925.71	3,402.02
	<u>42,733.33</u>	<u>41,423.42</u>

* Refer note 1(f)

** Includes raw materials in transit Rs. 91.17 lacs (2013-14 Rs.535.44 lacs)

*** Includes finished goods in transit Rs. 611.33 lacs (2013-14 Rs.423.65 lacs)

Notes forming part of the financial statements (continued)

17. Trade receivables

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Outstanding for a period exceeding 6 months from the date they are due for payment		
Unsecured - considered good	24.88	15.14
- considered doubtful	34.14	36.59
	<u>59.02</u>	<u>51.73</u>
Less : Provision for doubtful receivables	34.14	36.59
	<u>24.88</u>	<u>15.14</u>
Others		
Secured - considered good	0.50	2.56
Unsecured - considered good	9,602.96	11,216.17
	<u>9,603.46</u>	<u>11,218.73</u>
	<u>9,628.34</u>	<u>11,233.87</u>

18. Cash and cash equivalents

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Cash and cash equivalents :		
- Cash in hand	35.27	40.67
- Balances with banks – in current accounts	361.79	281.34
Cash and cash equivalents (As per AS-3 Cash flow statement)	<u>397.06</u>	<u>322.01</u>
Other bank balances :		
In deposit accounts		
- Original maturity more than 3 months and upto 12 months	114.92	94.47
- Original maturity more than 12 months *	19.02	21.00
In earmarked accounts		
- Unpaid dividend accounts	71.66	48.65
- Balances held as margin money or security against borrowings, guarantees and other commitments		
- Original maturity more than 3 months and upto 12 months	76.35	146.56
- Original maturity more than 12 months	-	60.00
- Other earmarked accounts	6.79	42.82
Other bank balances	<u>288.74</u>	<u>413.50</u>
Cash and cash equivalents	<u>685.80</u>	<u>735.51</u>
* Balances with banks include deposits with remaining maturity of more than 12 months from the balance sheet date	19.02	5.00

19. Short - term loans and advances

(Unsecured considered good unless otherwise stated)

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Loans and advances to related parties - Secured *	-	621.41
Other loans and advances		
- Security deposits	0.97	4.70
- Excise, Cenvat, VAT receivable and other Govt. dues	2,272.99	2,352.97
- To employees	20.82	21.92
- Others	1,963.70	1,386.49
	<u>4,258.48</u>	<u>4,387.49</u>

* Refer note 38

20. Other current assets

	As at <u>31.03.2015</u>	As at <u>31.03.2014</u>
	Rs. lacs	Rs. lacs
Interest accrued on deposits	24.08	22.47
Unbilled revenue	676.21	528.05
Sugarcane subsidy *	<u>3,277.93</u>	-
	<u>3,978.22</u>	<u>550.52</u>

* Refer note 45

21. Revenue from operations

	Year ended <u>31.03.2015</u>	Year ended <u>31.03.2014</u>
	Rs. lacs	Rs. lacs
Sale of products		
- Export	37,402.99	37,700.31
- Domestic	<u>92,369.83</u>	<u>94,962.22</u>
	<u>1,29,772.82</u>	<u>1,32,662.53</u>
Sale of services		
- Processing charges	1,356.39	1,439.91
- Others	<u>43.40</u>	<u>134.84</u>
	<u>1,399.79</u>	<u>1,574.75</u>
	<u>1,31,172.61</u>	<u>1,34,237.28</u>
Other operating revenues		
- Sale of scrap	502.08	415.59
- Duty Draw back and Other export benefits	2,334.54	2,216.20
- Sale of Renewable Energy Certificates	774.27	269.87
- Others	<u>25.69</u>	<u>21.22</u>
	<u>3,636.58</u>	<u>2,922.88</u>
	<u>1,34,809.19</u>	<u>1,37,160.16</u>
Less: Excise duty	<u>4,959.12</u>	<u>5,830.12</u>
	<u>1,29,850.07</u>	<u>1,31,330.04</u>

Product-wise particulars of sales are as under :

	Year ended <u>31.03.2015</u>	Year ended <u>31.03.2014</u>
	Rs. lacs	Rs. lacs
Sugar	44,731.26	44,625.36
Alcohol	16,590.75	18,246.34
Organic / Fine chemicals	29,741.13	30,597.46
Industrial fibres	31,915.76	32,404.47
Others	<u>6,793.92</u>	<u>6,788.90</u>
	<u>1,29,772.82</u>	<u>1,32,662.53</u>

22. Other income

	Year ended <u>31.03.2015</u>	Year ended <u>31.03.2014</u>
	Rs. lacs	Rs. lacs
Interest income *	154.38	181.07
Profit on sale of fixed assets	69.58	59.76
Provisions / Liabilities no longer required, written back	349.31	220.24
Rent	33.23	32.01
Profit on sale of current investments	38.79	76.63
Gain on foreign exchange fluctuation (net)	-	900.06
Miscellaneous income	<u>47.83</u>	<u>100.36</u>
	<u>693.12</u>	<u>1,570.13</u>

* Income-tax deducted at source Rs.8.21 lacs (2013-14 Rs.7.74 lacs)

Notes forming part of the financial statements (continued)

23. Cost of materials consumed

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs.lacs
Opening stock	5,817.26	6,144.13
Add: Purchases	76,602.93	72,970.13
	<u>82,420.19</u>	<u>79,114.26</u>
Less : Closing stock	5,742.64	5,817.26
	<u>76,677.55</u>	<u>73,297.00</u>

Particulars of materials consumed are as under :

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs.lacs
Sugarcane	44,238.03	40,878.97
Wood pulp	8,577.89	8,081.32
Others	23,861.63	24,336.71
	<u>76,677.55</u>	<u>73,297.00</u>

24. Purchase of traded goods

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs.lacs
Grain Spirits	10,590.27	10,837.89
Others	60.56	402.54
	<u>10,650.83</u>	<u>11,240.43</u>

25. (Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs.lacs
Opening stock		
Finished goods	30,612.92	33,548.34
Work-in-progress	1,557.26	1,334.42
Traded goods	33.96	57.85
	<u>32,204.14</u>	<u>34,940.61</u>
Closing stock		
Finished goods	31,645.84	30,612.92
Work-in-progress	1,395.13	1,557.26
Traded goods	24.01	33.96
	<u>33,064.98</u>	<u>32,204.14</u>
	<u>(860.84)</u>	<u>2,736.47</u>

Particulars of Stocks of Finished / Traded Goods & Work-in-progress are as under :

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs.lacs
<u>Stocks of Finished Goods / Traded Goods</u>		
Sugar	29,147.18	29,042.07
Alcohol	114.23	197.46
Organic / Fine chemicals	836.23	406.20
Industrial fibres	1,495.14	916.31
Others	77.07	84.84
	<u>31,669.85</u>	<u>30,646.88</u>
<u>Work-in-progress</u>		
Sugar	434.57	564.47
Alcohol	54.50	69.63
Organic / Fine chemicals	495.35	524.05
Industrial fibres	410.71	399.11
	<u>1,395.13</u>	<u>1,557.26</u>

26. Employee benefits expense

	Year ended <u>31.03.2015</u> Rs. lacs	Year ended 31.03.2014 Rs.lacs
Salaries, wages etc	7,888.89	7,612.60
Contribution to provident and other funds	943.94	993.44
Staff welfare expenses	411.05	358.51
	<u>9,243.88</u>	<u>8,964.55</u>

27. Finance costs

	Year ended <u>31.03.2015</u> Rs. lacs	Year ended 31.03.2014 Rs.lacs
Interest expense	3,815.05	3,710.20
Other borrowing costs	252.48	283.58
	<u>4,067.53</u>	<u>3,993.78</u>

28. Depreciation

	Year ended <u>31.03.2015</u> Rs. lacs	Year ended 31.03.2014 Rs.lacs
Depreciation on tangible assets	1,828.00	2,426.05
Less:-Transferred from revaluation reserve *	-	207.93
	<u>1,828.00</u>	<u>2,218.12</u>

* Refer note 3 (a) and note 46

29. Other expenses

	Year ended <u>31.03.2015</u> Rs. lacs	Year ended 31.03.2014 Rs.lacs
Stores and spares	7,211.41	6,641.84
Power and fuel	8,863.37	8,525.54
Repairs - Building	491.18	406.16
- Plant and machinery	3,095.98	2,855.98
Rent	502.33	468.74
Auditors' remuneration		
- As auditors	29.00	27.00
- Limited review of unaudited financials results	21.60	16.35
- Verification of statements and other records	4.20	5.15
- Out-of-pocket expenses	0.75	0.50
Insurance	160.58	162.03
Rates and taxes	49.44	68.22
Increase / (decrease) in excise duty on finished goods	243.13	(137.46)
Freight and transport	917.31	854.22
Commission to selling agents	1,946.85	1,919.63
Loss on sale of fixed assets	14.19	25.99
Donation #	31.99	15.46
Provision for contingencies *	-	100.00
Bad debts and advances provided / written off	4.29	16.47
Loss on foreign exchange fluctuation (net)	82.67	-
Miscellaneous expenses	4,099.96	3,908.87
	<u>27,770.23</u>	<u>25,880.69</u>

* Refer note 32

Includes Rs. 22.50 lacs (2013-14 -Nil) for CSR activities.

Notes forming part of the financial statements (continued)

30. Tax expense

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs.lacs
Current Tax		
- Provision for tax	287.93	980.23
- MAT (credit) / reversal	(287.93)	126.87
	<u>-</u>	<u>1,107.10</u>
Deferred tax charge	<u>728.26</u>	<u>562.22</u>
	<u>728.26</u>	<u>1,669.32</u>

	This year	Previous year
31. Earnings per share		
Profit after tax as per Statement of Profit and Loss	(Rs.lacs) 437.75	2899.81
Weighted average number of Equity shares outstanding	(Nos.) 173,98,437	173,98,437
Earnings per share - basic / diluted (face value - Rs. 10 per share)	(Rs.) 2.52	16.67

32. Provision for contingencies of Rs. 100 lacs (2013-14 Rs. 100 lacs) in Note 7 represents the maximum possible exposure on ultimate settlement of issues relating to reorganisation arrangement of the Company.

	As at 31.03.2015 (Rs. lacs)	As at 31.03.2014 (Rs. lacs)
33. Contingent liabilities not provided for:-		
a) Income tax matters*	196.55	196.55
b) Excise and Service tax matters*	388.74	122.08
c) Claims against the Company not acknowledged as debts (excluding claims by employees, where amount is not ascertainable)*	773.03	784.04
d) Bills discounted	3635.81	3045.21

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

34. a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to Rs. 104.73 lacs (2013-14 – Rs. 1216.15 lacs).

b) The Company has other commitments, for purchase / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreement in normal course of business. The Company does not have any long term commitments / contracts including derivative contracts for which there will be any material foreseeable losses.

35. Research and development expenses amounting to Rs. 146.50 lacs (2013-14 - Rs. 128.63 lacs) have been charged to the respective revenue accounts. Capital expenditure relating to research and development amounting to Rs. 58.76 lacs (2013-14 - Rs. 30.04 lacs) has been included in fixed assets.

36. Parties covered under "The Micro, Small and Medium Enterprise Development Act, 2006" (MSMED Act, 2006) have been identified on the basis of confirmation received.

Based upon the information available, the balance due to the Micro and Small Enterprises as defined under the MSMED Act, 2006 is Rs. 1.35 lacs (2013-14 - Nil). Further no interest during the year has been paid or is payable under the terms of the MSMED Act, 2006.

37. **Segment reporting**

A. Business segments

Based on the guiding principles given in Accounting Standard (AS) 17 "Segment Reporting" as notified under the Companies (Accounting Standards) Rules, 2006, the Company's business segments are Sugar (comprising sugar, power and molasses based alcohols), Industrial Fibres and related products (comprising rayon, synthetic yarn, cord, fabric etc.) and Chemicals (comprising Organics & Fine Chemicals).

B. Geographical segments

The Company's geographical segments are Domestic and Overseas, by location of customers.

C. Segment accounting policies

In addition to the significant accounting policies applicable to the segments as set out in note 1 of notes forming part of the financial statement, the accounting policies in relation to segment accounting are as under :-

i) Segment assets and liabilities

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

ii) Segment revenue and expenses

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

iii) Unallocated expenses

Unallocated expenses represent general administrative expenses, head-office expenses and other expenses that arise at the Company level and relate to the Company as a whole. As such, these expenses have not been considered in arriving at the segment results.

iv) Inter segment sales

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

Notes forming part of the financial statements (continued)

I. Information about Primary segments (Business segments)

(Rs. lacs)

Particulars	Sugar *		Industrial fibres and related products		Chemicals		Elimination		Total	
	This year	Previous year	This year	Previous year	This Year	Previous year	This Year	Previous year	This Year	Previous year
Segment revenue										
External sales	65939.11	66432.36	33338.21	34253.67	31895.29	33551.25			131172.61	134237.28
Less : Excise Duty	1948.58	2592.00	379.84	458.52	2630.70	2779.60			4959.12	5830.12
Net External sales	63990.53	63840.36	32958.37	33795.15	29264.59	30771.65			126213.49	128407.16
Income from operations	1035.22	457.06	2074.71	1945.90	526.65	519.92			3636.58	2922.88
Inter segment revenue	17.64	2.74	-	-	5.66	-	(23.30)	(2.74)	-	-
Other Income	131.36	142.89	97.85	1052.43	338.18	224.83			567.39	1420.15
Unallocable income									125.73	149.98
Total revenue	65174.75	64443.05	35130.93	36793.48	30135.08	31516.40	(23.30)	(2.74)	130543.19	132900.17
Segment results	(514.09)	967.29	4715.27	6843.70	2742.20	2409.64			6943.38	10220.63
Unallocated expenses (net of unallocable income)									1709.84	1657.72
Operating profit									5233.54	8562.91
Finance costs									4067.53	3993.78
Profit before tax									1,166.01	4569.13
Tax expense										
- Current tax									-	1107.10
- Deferred tax charge									728.26	562.22
Profit after tax									437.75	2,899.81
Other information										
Segment assets	56278.67	51297.18	25614.85	25559.91	11759.22	11847.57			93652.74	88704.66
Unallocated assets									5619.68	6217.36
Total assets	56278.67	51297.18	25614.85	25559.91	11759.22	11847.57			99272.42	94922.02
Segment liabilities	18539.61	24767.45	6790.30	6814.32	2682.20	3679.44			28012.11	35261.21
Share capital & reserves									22833.97	23164.31
Unallocated liabilities									48426.34	36496.50
Total liabilities	18539.61	24767.45	6790.30	6814.32	2682.20	3679.44			99272.42	94922.02
Capital expenditure	825.13	203.20	2909.00	2330.52	419.07	454.95				
Depreciation	612.42	1005.30	760.32	646.52	404.18	530.58				
Non cash expenses other than depreciation	2.19	7.01	5.13	22.47	1.25	7.28				

* Comprising sugar, power and alcohols

II. Information about Secondary segments (Geographical segments)

(Rs. lacs)

Particulars	Domestic		Overseas		Total	
	This year	Previous year	This year	Previous year	This year	Previous year
External Revenue by location of customers	93140.20	95199.86	37402.99	37700.31	130543.19	132900.17
Carrying amount of segment assets by location	88494.43	81761.65	5158.31	6943.01	93652.74	88704.66
Capital expenditure by location of assets	4153.20	2988.67	-	-	4153.20	2988.67

38. Related party disclosures under Accounting Standard (AS)18
A. Names of related parties and nature of related party relationship

Subsidiary : Daurala Foods & Beverages Private Limited (DFBPL).

Associate : DCM Hyundai Limited (DHL).

Key management personnel : Mr. Tilak Dhar, Mr. Alok B. Shriram, Mr. D.C. Mittal (upto 30/06/2014), Mr. Madhav B. Shriram, Mr. Anil Gujral (upto 31/01/2014) and Mr. K. N. Rao (w.e.f. 01/02/2014).

Relatives/HUF of key management personnel : Mrs. Karuna Shriram, Mrs. Kiran Mittal (upto 30/06/2014), Mr. Akshay Dhar, Ms. Kanika Shriram, Mrs. Divya Shriram, Ms. Aditi Dhar, Ms. Ritu Bansal (upto 30/06/2014), Mr. Rudra Shriram (w.e.f. 22/08/2013), Mrs. K. Rao (w.e.f. 01/02/2014) and M/s. Bansi Dhar & Sons - HUF (BDS).

Others (Enterprise over which key management personnel or their relatives are able to exercise significant influence) : Bantam Enterprises Private Limited (BEPL) and H.R. Travels Private Limited (HRTPL).

B. Transactions with related parties referred to in 38 (A)

i) Transactions with subsidiary and associate

(Rs. lacs)

Particulars	Subsidiary		Associate		Total	
	This year	Previous year	This year	Previous year	This year	Previous year
Rental expenses - DFBPL	17.64	17.64	-	-	17.64	17.64
Interest charged on loan - DHL	-	-	54.54	59.61	54.54	59.61
Loan received back - DHL	-	-	541.94	-	541.94	-
Interest received on loan - DHL	-	-	134.01	65.96	134.01	65.96
Balance outstanding as at the year end from: - DHL	-	-	-	541.94	-	541.94
- Principal	-	-	-	79.47	-	79.47
- Interest	-	-	-	-	-	-

Notes forming part of the financial statements (continued)

ii) Transactions with key management personnel, their relatives / HUF and others

(Rs. lacs)

Particulars		This year	Previous year
Remuneration *			
- Key management personnel	- Mr. Tilak Dhar	58.76	88.32
	- Mr. Alok B. Shriram	60.96	88.32
	- Mr. D.C. Mittal	45.54	52.23
	- Mr. Madhav B. Shriram	60.99	66.11
	- Mr. K. N. Rao	40.85	5.75
	- Mr. Anil Gujral	-	31.58
- Relatives of key management personnel		20.40	13.40
		287.50	345.71
Rental expenses			
- Relatives/HUF of key management personnel	- BDS	88.05	48.90
	- Mrs. Karuna Shriram	4.07	4.44
	- Mrs. Kiran Mittal	4.35	17.13
	- Mrs. K. Rao	3.24	0.54
- Others	- BEPL	31.86	5.55
	- HRTPL	6.38	1.14
		137.95	77.70
Purchase of fixed assets			
- Others	- BEPL	148.69	-
		148.69	-
Public Deposits received			
- Relatives of key management personnel	- Mrs. Ritu Bansal	-	0.80
		-	0.80
Public Deposits paid			
- Relatives of key management personnel	- Mrs. Divya Shriram	-	10.00
	- Mr. Akshay Dhar	2.00	-
	- Ms. Aditi Dhar	2.00	-
		4.00	10.00
Security Deposits given			
- Relatives/HUF of key management personnel	- BDS	-	8.10
	- Mrs. K. Rao	-	0.21
		-	8.31
Security Deposits received back			
- Relatives of key management personnel	- Mrs. Kiran Mittal	17.40	-
		17.40	-
Advance Rent paid			
- Relatives/HUF of key management personnel	- BDS	-	11.70
	- Mrs. K. Rao	-	0.81
		-	12.51
Advance Rent adjusted			
- Relatives/HUF of key management personnel	- BDS	3.90	3.64
	- Mrs. K. Rao	0.41	0.40
		4.31	4.04
Balance outstanding at the year end			
- Receivables			
- Relatives/HUF of key management personnel	- BDS	40.63	44.53
	- Mrs. K. Rao	0.81	1.22
	- Mrs. Kiran Mittal	-	17.40
		41.44	63.15
- Payables (Public Deposits)			
- Key management personnel	- Mr. D.C. Mittal	-	14.42
	- Mrs. Kiran Mittal	-	14.00
	- Mrs. Ritu Bansal	-	7.72
	- Mr. Akshay Dhar	-	2.00
	- Ms. Aditi Dhar	-	2.00
		-	40.14

* Does not include provision for leave salary and contribution / provision towards gratuity, since the contribution /provision is made for the Company as a whole on actuarial basis.

39. Disclosures in respect of assets taken on Operating Lease under Accounting Standard (AS) 19 "Leases" is as under :
- The Company has entered into operating leases agreements for various premises taken for accommodation of Company's officers / directors and various offices of the Company. As at March 31, 2015 the future minimum lease payments under non-cancellable period which is not later than one year are Rs. Nil (2013-14 - Rs. Nil).
 - Lease rent charged to the Statement of Profit & Loss relating to operating leases entered or renewed after April 1, 2001 are Rs. 502.33 lacs (2013-14 - Rs. 468.74 lacs).
40. The following are the particulars of disputed dues on account of excise duty, service tax, income-tax and sales tax matters that have not been deposited by the Company as at March 31, 2015:-

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount involved * (Rs. lacs)	Amount paid under protest (Rs. lacs)
Central Excise Act, 1944	Excise Duty	High Court	March '86 to December '89	20.00	-
	Modvat Credit	Commissioner (Appeals)	1995-96, November '04 to December '08	31.79	-
Service Tax Laws- Finance Act, 1994	Service Tax	Deputy Commissioner	January '08 to October '08	1.44	-
		Customs, Excise & Service Tax Appellate Tribunal	July '12 to March '14	236.16	10.00
		Assistant Commissioner, Central Excise & Customs	December '09 to December '10	4.28	-
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2003-06	1708.75	1708.75
Sales Tax Laws	Sales Tax	Additional Commissioner (Appeals)	2004-05, 2010-11 and 2011-12	10.09	3.08
		Joint Commissioner	2010-11	0.11	-

Further, in respect of following matters, the concerned authority is in appeal against favourable orders received by the Company:

Name of the Statute	Nature of dues	Forum where department has preferred appeal	Period to which the amount relates (various years covering the period)	Amount involved * (Rs. lacs)
Central Excise Act, 1944	Excise duty	Customs, Excise & Service Tax Appellate Tribunal	2003-08	26.71
		High Court	1998-99	3.54
	Modvat Credit	High Court	1995-96	15.15
Service Tax Laws- Finance Act, 1994	Service Tax	Customs, Excise & Service Tax Appellate Tribunal	2005	2.01
Sales Tax Laws	Sales Tax	High Court	1976-80, 1982-85, 1989-90, 1992-93, 1995-98 and 2008-11	129.44

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

There are no dues in respect of Wealth Tax, Customs Duty, Value Added Tax and Cess which have not been deposited on account of any dispute.

Notes forming part of the financial statements (continued)

41. a) Category-wise quantitative data about derivative instruments as at year end :-

Nature of Derivative	Number of deals		Purpose		Amount in foreign currency			Amount (Rs.lacs)	
	As at 31.03.15	As at 31.03.14	As at 31.03.15	As at 31.03.14	Currency	As at 31.03.15	As at 31.03.14	As at 31.03.15	As at 31.03.14
Forward Cover	6	6	Hedging	Hedging	Euro	700000	600000	469.70	491.46

b) Foreign currency exposure of the Company that is not hedged by derivative instruments or otherwise is as follows:-

Particulars	As at 31.03.15			As at 31.03.14		
	Amount in foreign currency	Amount (Rs. lacs)		Amount in foreign currency	Amount (Rs. lacs)	
- Trade receivables	Euro	4102474	2752.76	Euro	5978432	4896.34
	US\$	3852570	2398.03	US\$	3390990	2020.57
	GBP	-	-	GBP	25927	26.10
- Sundry advances	Euro	11208	7.52	Euro	-	-
- Acceptances	Euro	-	-	Euro	14936	12.47
	US\$	4136633	2603.72	US\$	5947564	3589.84
- Trade payables	Euro	36285	24.77	Euro	59067	49.39
	US\$	952074	600.35	US\$	361160	218.00
- Bank borrowings	Euro	1100000	749.32	Euro	-	-
- Commission & discount	US\$	99838	62.84	US\$	41063	24.78
	Euro	772021	525.90	Euro	553607	460.32
- Royalty	Euro	48720	33.33	Euro	39710	33.15

42. Proceedings in a Petition filed by a shareholder before the Hon'ble Company Law Board (CLB) u/s 397/398 of the Companies Act, 1956 in November 2007, challenging the preferential issue of equity warrants by the Company, are continuing.

43. Employee benefits

a) Defined contribution plans

Rs. 642.24 lacs (2013-14 - Rs. 577.30 lacs) for provident fund contribution and Rs.154.96 lacs (2013-14 - Rs. 140.67 lacs) for superannuation fund contribution have been charged to the Statement of Profit and Loss. The contributions towards these schemes are at rates specified in the rules of the schemes. In case of provident fund administered through a trust, shortfall if any, shall be made good by the Company.

b) Defined benefit plans

- Liability for gratuity, privilege leaves and medical leaves is determined on actuarial basis. Gratuity liability is provided to the extent not covered by the funds available in the gratuity fund.
- Gratuity Scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service, except death while in employment.

iii) The basis for determination of liability is as under :

	As at March 31, 2015 (Rs./lacs)		As at March 31, 2014 (Rs./lacs)	
	Gratuity Scheme	Privilege and medical leaves	Gratuity Scheme	Privilege and medical leaves
Change in present value of obligation				
1. Present value of obligation as at the beginning of the year	2,992.25	710.83	2818.36	641.19
2. Current service cost	157.16	67.12	151.48	63.59
3. Interest cost	261.82	62.19	225.47	51.29
4. Actuarial (gain)/loss	(20.42)	135.83	121.39	147.21
5. Benefits paid	(341.83)	(225.02)	(324.45)	(192.45)
6. Present value of obligation as at the end of the year	3,048.98	750.95	2992.25	710.83
Change in plan assets				
1. Plan assets at the beginning of the year	2729.33	-	2521.74	-
2. Expected return on plan assets	251.09	-	223.17	-
3. Contribution by the Company	-	-	-	-
4. Benefits paid	(8.88)	-	(15.42)	-
5. Actuarial gain / (loss)	0.73	-	(0.16)	-
6. Plan assets at the end of the year	2972.27	-	2729.33	-
Liability recognised in the financial statements	76.71	750.95	262.92	710.83
Long term	76.71	662.17	262.92	543.93
Short term	-	88.78	-	166.90
Cost for the year				
Change in present value of obligation				
1. Current service cost	157.16	67.12	151.48	63.59
2. Interest cost	261.82	62.19	225.47	51.29
3. Expected return on plan assets	(251.09)	-	(223.17)	-
4. Actuarial (gain)/loss	(21.15)	135.83	121.55	147.21
5. Net cost	146.74	265.14	275.33	262.09
Constitution of plan assets				
Other than equity, debt, property and bank account	-	-	-	-
Funded with LIC *	2972.27	-	2729.33	-
Main actuarial assumptions				
Discount rate	7.75% p.a.	7.75% p.a.	8.75% p.a.	8.75% p.a.
Rate of increase in compensation levels	5.25% p.a.	5.25% p.a.	6.25% p.a.	6.25% p.a.
Rate of return on plan assets	9.20% p.a.	-	8.85% p.a.	-
Expected average remaining working lives of employees (years)	14.34	16.18	14.07	15.59

* The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of Investments maintained by Life Insurance Corporation are not made available and have therefore not been disclosed.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as demand and supply in the employment market.

Notes forming part of the financial statements (continued)

iv) Disclosure relating to present value of defined benefit obligation and fair value of plan assets and net actuarial gain/(loss): (Rs./lacs)

Particulars	2014-15		2013-14		2012-13		2011-12		2010-11	
	Gratuity Scheme	Privilege & Medical leaves	Gratuity Scheme	Privilege & Medical leaves	Gratuity Scheme	Privilege & Medical leaves	Gratuity Scheme	Privilege & Medical leaves	Gratuity Scheme	Privilege & Medical leaves
Present value of obligation as at the end of the year	3048.98	750.95	2992.25	710.83	2818.36	641.19	2590.79	562.81	2508.49	550.62
Fair value of plan assets at the end of the year	2972.27	-	2729.33	-	2521.74	-	2326.67	-	2165.22	-
Surplus/(Deficit) in plan assets	(76.71)	(750.95)	(262.92)	(710.83)	(296.62)	(641.19)	(264.12)	(562.81)	(343.27)	(550.62)
Actuarial Gain/(loss) on plan assets	0.73	-	(0.16)	-	1.37	-	(18.66)	-	2.50	-
Actuarial Gain/(loss) on obligation	20.42	(135.83)	(121.39)	(147.21)	(206.36)	(145.01)	(16.07)	(124.71)	(83.23)	(95.68)

44. Other information

Description	Year ended 31.03.2015		Year ended 31.03.2014	
	Rs.lacs	%	Rs.lacs	%
(a) Value of imports on CIF basis				
Raw materials	15711.28		14734.56	
Components and spare parts	509.05		714.73	
Capital goods	156.44		317.91	
(b) Expenditure in foreign currency				
Royalty (net of tax)	137.13		128.12	
Commission, travelling and others	1437.98		1304.46	
(c) Earnings in foreign exchange				
FOB value of exports	37195.87		37281.27	
Sale of services	-		34.14	
(d) Value of imported/indigenous raw materials, spare parts, components and stores consumed				
i) Raw materials				
Imported	16399.18	21	17515.75	24
Indigenous	60278.37	79	55781.25	76
	76677.55	100	73297.00	100
ii) Stores and spares				
Imported	441.86	6	246.87	4
Indigenous	6769.55	94	6394.97	96
	7211.41	100	6641.84	100

45. The Government of Uttar Pradesh has announced subsidy on sugar cane purchased during the sugar season 2014-15 linked to average selling price of sugar and its by-products during the period 1st October, 2014 to 31st May, 2015 to be finalised by a Committee to be constituted by the Government of Uttar Pradesh. Based on prevailing and expected prices, the Company is confident of realising the full subsidy of Rs. 28.60 per qtl. aggregating to Rs. 3972.41 lacs. Pending final determination of the amount of subsidy, the company has on a conservative basis accounted for Rs. 3277.93 lacs in the Statement of Profit & Loss for the year by adjustment of raw material consumption in note 23. Necessary adjustments would be made on final determination of the amount of subsidy.
46. Schedule II of the Companies Act, 2013 became applicable w.e.f. April 1, 2014. Accordingly :
- a) depreciation for the year computed in accordance with the useful life of fixed assets as prescribed in Schedule II is lower by Rs. 530.37 lacs and Rs. 138.62 lacs, being an amount equivalent to the additional charge arising due to revaluation has been transferred from Revaluation reserve to General reserve.
- b) in respect of fixed assets where the remaining useful life as per Schedule II is Nil, the carrying amount (after retaining residual value) of Rs. 556.06 lacs (including revalued amount Rs. 316.94 lacs and net of deferred tax Rs. 123.13 lacs) has been adjusted against the opening balance of Surplus in Statement of Profit & Loss and the revalued amount has been transferred from Revaluation reserve to General reserve.
47. Previous year's figures have been regrouped / recast wherever necessary to correspond with the current year's classification / disclosures.

Signatures to Notes forming part of Financial Statements

B.P. Khandelwal
President
N.K. Jain
Chief Financial Officer
Y.D. Gupta
Sr. General Manager &
Company Secretary

For and on behalf of the Board

Shri Tilak Dhar
Chairman & Managing Director
Shri Alok B. Shriram
Dy. Managing Director
Shri K.N. Rao
Shri P.R. Khanna
Shri S.B. Mathur
Shri Ravinder Narain
Shri S.C. Kumar
Shri C. Vikas Rao
Smt. Kavitha Dutt Chitturi
Directors

Place : New Delhi
Date : 29.5.2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DCM SHRIRAM INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to note 45 which sets out the position regarding sugarcane subsidy aggregating Rs. 3277.93 lacs accounted by the Holding Company in these consolidated financial statements. As indicated in this note, necessary adjustments would be made on final determination of the amount of subsidy.

Our opinion is not modified in respect of this matter.

Other Matter

We did not audit the financial statements / financial information of the subsidiary viz., Daurala Foods and Beverages Private Limited, whose financial statements / financial information reflect total assets of Rs. 902.79 lacs as at 31st March, 2015, total

INDEPENDENT AUDITORS' REPORT (continued)

revenues of Rs. 75.33 lacs and net cash outflows amounting to Rs. 3.74 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 170.60 lacs for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of associate viz., DCM Hyundai Limited, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary and associate, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary company and associate company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and associate company incorporated in India, none of the directors of the Group company and its associate company incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate. Refer Note 34 and 35(a) to (c) to the consolidated financial statements.
 - ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts. Refer Note 36(b) to the consolidated financial statements
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary company and associate company incorporated in India.

For A. F. Ferguson & Co.
Chartered Accountants
(Firm's Registration No. 112066W)

Jaideep Bhargava
Partner
(Membership No. 090295)

Place : New Delhi
Date : 29.5.2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- (i) In respect of the fixed assets of the Holding Company, subsidiary company and associate company incorporated in India:
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Holding Company, subsidiary company and associate company incorporated in India have a program of physically verifying all fixed assets over a period of three years which, in our opinion and the opinion of the other auditors, is reasonable having regard to the size of the respective entities and the nature of their assets. Pursuant to the program, certain fixed assets were physically verified by the Management of the respective entities during the year. According to the information and explanations given to us and the other auditors, the discrepancies noticed on such verification between physical balances and the fixed assets records were not material and have been properly dealt with in the books of account.
- (ii) In respect of the inventories of the Holding Company, subsidiary company and associate company incorporated in India:
 - (a) As explained to us and the other auditors of associate, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals other than for stock lying with third parties and/or goods in transit for which confirmations have been obtained and subsequent receipts have been verified in most of the cases and in the opinion of other auditors of subsidiary company incorporated in India, company does not hold any inventory. Therefore, the matters specified in clause (ii) of paragraph 3 of the order does not apply to the subsidiary company.
 - (b) In our opinion and the opinion of the other auditors of associate and according to the information and explanations given to us and the other auditors of associate, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - (c) In our opinion and the opinion of the other auditors of associate and according to the information and explanations given to us and the other auditors of associate, the respective entities have maintained proper records of their inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanation given to us, the Holding Company, subsidiary company and associate company incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.
- (iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company, subsidiary company and associate company incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our and the other auditors audit no major weaknesses in such internal control system has been observed.
- (v) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company, subsidiary company and associate company incorporated in India have not accepted any deposit during the year. In respect of deposits accepted in earlier years, the Holding Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. Accordingly, matters specified in clause (v) of paragraph 3 of the order does not apply to the subsidiary company and associate company.
- (vi) According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and in the opinion of other auditors of subsidiary and associate company incorporated in India maintenance of cost records under section 148(1) of the Companies Act, has not been prescribed by the Central Government for the Companies. Accordingly, matters specified in clause (vi) of paragraph 3 of the order does not apply to the subsidiary company and associate company. We have, however, not made a detailed examination of the cost records of the Holding Company with a view to determine whether they are accurate or complete.

INDEPENDENT AUDITORS' REPORT (continued)

(vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company, subsidiary company and associate company incorporated in India:

- (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Entry Tax, Purchase Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.
- (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax and Excise Duty which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount involved * (Rs. lacs)	Amount paid under protest (Rs. lacs)
Central Excise Act, 1944	Excise Duty	High Court	March '86 to December '89	20.00	-
	Modvat Credit	Commissioner (Appeals)	1995-96, November '04 to December '08	31.79	-
	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal	2003-04**	17.30	-
	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal	2007-08**	11.89	-
	Excise Duty	Commissioner (Appeals)	2006-07**	6.69	-
Service Tax Laws-Finance Act, 1994	Service Tax	Deputy Commissioner	January '08 to October '08	1.44	-
		Customs, Excise & Service Tax Appellate Tribunal	July '12 to March '14	236.16	10.00
		Assistant Commissioner, Central Excise & Customs	December'09 to December'10	4.28	-
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2003-06	1708.75	1708.75
		Commissioner of Income Tax (Appeals)	2009-10**	1452.00	-
	TDS	Income Tax Officer (TDS)	2006-11**	6.50	-
Sales Tax Laws	Sales Tax	Additional Commissioner (Appeals)	2004-05, 2010-11 and 2011-12	10.09	3.08
		Joint Commissioner	2010-11	0.11	-
	Sales Tax	Appellate Assistant Commissioner	2002-03**	2.22	-
	Sales Tax	Additional Commissioner	2012-13**	0.31	-

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

** Relates to associate. Disclosed at full amount.

Further, in respect of following matters, the concerned Authority is in appeal against favourable orders received by Holding Company:

Name of the Statute	Nature of dues	Forum where department has preferred appeal	Period to which the amount relates (various years covering the period)	Amount involved * (Rs. lacs)
Central Excise Act, 1944	Excise duty	Customs, Excise & Service Tax Appellate Tribunal	2003-08	26.71
		High Court	1998-99	3.54
	Modvat Credit	High Court	1995-96	15.15
Service Tax Laws- Finance Act, 1994	Service Tax	Customs, Excise & Service Tax Appellate Tribunal	2005	2.01
Sales Tax Laws	Sales Tax	High Court	1976-80, 1982-85, 1989-90, 1992-93, 1995-98 and 2008-11	129.44

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

We have been further informed that there are no dues in respect of Wealth Tax, Customs Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities.

- (d) The Holding Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time. There are no amounts that are due to be transferred by the subsidiary company and associate company to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The Group and its associate does not have consolidated accumulated losses at the end of the financial year and the Group and its associate have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company have not defaulted in the repayment of dues to financial institutions and banks and subsidiary company and associate company incorporated in India have not taken any loans from banks and financial institutions. The Holding Company, subsidiary company and associate company incorporated in India have not issued any debentures during the year.
- (x) According to the information and explanations given to us, the Holding Company, subsidiary company and associate company incorporated in India have not given guarantees for loans taken by others from banks and financial institutions.
- (xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company during the year for the purposes for which they were obtained and subsidiary company and associate company incorporated in India have not taken any term loans during the year.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, its subsidiary company and associate company incorporated in India and no material fraud on the Holding Company, its subsidiary company and associate company incorporated in India has been noticed or reported during the year.

For A. F. Ferguson & Co.
Chartered Accountants
(Firm's Registration No. 112066W)

Jaideep Bhargava
Partner
(Membership No. 090295)

Place : New Delhi
Date : 29.5.2015

CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

Consolidated Balance Sheet of DCM Shriram Industries Limited as at March 31, 2015

Particulars	Note No.	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	1,739.84	1,739.84
Reserves and surplus	5	22,218.37	22,390.87
		23,958.21	24,130.71
Minority interest *[Rs. 127.14 (2013-14 Rs. 119.09)]			
Non-current liabilities			
Long - term borrowings	6	8,117.18	8,145.66
Deferred tax liabilities (Net)	7	5,393.28	4,760.03
Other long-term liabilities	8	188.23	275.52
Long-term provisions	9	838.88	906.85
		14,537.57	14,088.06
Current liabilities			
Short-term borrowings	10	30,402.57	17,910.77
Trade payables	11	24,659.68	31,991.68
Other current liabilities	12	6,407.19	6,732.60
Short-term provisions	13	431.07	1,006.14
		61,900.51	57,641.19
TOTAL		1,00,396.29	95,859.96
ASSETS			
Non-current assets			
Fixed assets	14		
- Tangible assets		31,887.60	29,310.68
- Capital work in progress		871.62	1,846.17
		32,759.22	31,156.85
Non - current investments	15	888.84	746.40
Long - term loans and advances	16	3,469.28	2,800.89
		37,117.34	34,704.14
Current assets			
Current investments	17	1,241.49	2,140.00
Inventories	18	42,733.33	41,423.42
Trade receivables	19	9,628.34	11,233.87
Cash and cash equivalents	20	938.22	894.70
Short - term loans and advances	21	4,738.54	4,891.65
Other current assets	22	3,999.03	572.18
		63,278.95	61,155.82
TOTAL		1,00,396.29	95,859.96
Significant Accounting Policies	3		
Accompanying notes 1 to 50 form part of the financial statements			

In terms of our report attached
For **A. F. FERGUSON & CO.**
Chartered Accountants

Jaideep Bhargava
Partner

Place : New Delhi
Date : 29.5.2015

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Sr. General Manager &
Company Secretary

For and on behalf of the Board

Shri Tilak Dhar
Chairman & Managing Director

Shri Alok B. Shriram
Dy. Managing Director

Shri K.N. Rao
Shri P.R. Khanna
Shri S.B. Mathur
Shri Ravinder Narain
Shri S.C. Kumar
Shri C. Vikas Rao
Smt. Kavitha Dutt Chitturi
Directors

Consolidated Statement of Profit and Loss for the year ended March 31, 2015

Particulars	Note No.	Year ended <u>31.03.2015</u> Rs. lacs	Year ended <u>31.03.2014</u> Rs. lacs
REVENUE			
Revenue from operations	23	1,34,809.19	1,37,160.16
Less: Excise duty		4,959.12	5,830.12
		<u>1,29,850.07</u>	<u>1,31,330.04</u>
Other income	24	768.45	1,639.39
TOTAL REVENUE		<u>1,30,618.52</u>	<u>1,32,969.43</u>
EXPENSES			
Cost of materials consumed	25	76,677.55	73,297.00
Purchase of traded goods	26	10,650.83	11,240.43
(Increase)/ Decrease in inventories of finished goods, work-in-progress and traded goods	27	(860.84)	2,736.47
Employee benefits expense	28	9,243.88	8,964.55
Finance costs	29	4,067.53	3,993.78
Depreciation	30	1,827.08	2,237.04
Other expenses	31	27,754.58	25,864.96
TOTAL EXPENSES		<u>1,29,360.61</u>	<u>1,28,334.23</u>
Profit before tax		1,257.91	4,635.20
Tax expense:	32		
Current tax		-	1,107.10
Deferred tax charge		756.38	560.55
		<u>756.38</u>	<u>1,667.65</u>
Profit for the year after tax and before minority interest		501.53	2,967.55
Minority interest * [Rs 8.05 (2013-14 Rs. 9.49)]		*	*
Profit for the year after tax but before share of results of an associate		501.53	2,967.55
Share of net Profit of an associate		170.60	219.06
Profit for the year		<u>672.13</u>	<u>3,186.61</u>
Earnings per equity share - basic/ diluted (Rs.)	33	3.86	18.32
Significant Accounting Policies	3		

Accompanying notes 1 to 50 form part of the financial statements

In terms of our report attached
For A. F. FERGUSON & CO.
Chartered Accountants

Jaideep Bhargava
Partner

Place : New Delhi
Date : 29.5.2015

B.P. Khandelwal
President
N.K. Jain
Chief Financial Officer
Y.D. Gupta
Sr. General Manager &
Company Secretary

For and on behalf of the Board

Shri Tilak Dhar
Chairman & Managing Director
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Smt. Kavitha Dutt Chitturi
Directors

CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

Consolidated Cash Flow Statement for the year ended March 31, 2015

	Year ended <u>31.03.2015</u> Rs. lacs	Year ended <u>31.03.2014</u> Rs. lacs
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,257.91	4,635.20
Adjustments for :		
Depreciation	1,827.08	2,237.04
Finance Costs	4,067.53	3,993.78
Interest income	(229.68)	(250.27)
Provisions for contingencies	-	100.00
Profit on sale of fixed assets	(69.58)	(59.76)
Loss on sale of fixed assets	14.19	25.99
Investments written off	-	0.11
Profit on sale of current investments	(38.79)	(76.63)
Operating profit before working capital changes	6,828.66	10,605.46
Adjustments for :		
(Decrease) / Increase in trade payables, other current liabilities and short term provisions	(7,313.22)	9,322.62
Decrease in long term liabilities & long term provisions	(95.55)	(1.06)
Increase in trade receivables, short term loans & advances and other current assets	(1,746.90)	(3,368.63)
Decrease in long term loans & advances and other non current assets	128.01	347.35
(Increase) / Decrease in inventories	(1,309.91)	2,574.31
Cash (used in) / generated from operations	(3,508.91)	19,480.05
Net income tax paid	(1,057.42)	(905.10)
Net cash (used in) / generated from operating activities (A)	(4,566.33)	18,574.95
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(3,860.57)	(2,751.04)
Proceeds from sale of fixed assets	105.18	91.64
Purchase of current non trade investments	(715.00)	(2,190.00)
Proceeds from sale of current non trade investments	1,652.30	697.27
Movement in bank balances not considered as cash and cash equivalents	27.79	20.87
Interest received	308.38	268.92
Net cash (used in) investing activities (B)	(2,481.92)	(3,862.34)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	3,398.62	4,600.29
Repayment of long term borrowings	(3,855.09)	(4,140.23)
Increase / (Decrease) in short term borrowings	12,491.80	(11,334.82)
Finance Costs (Includes borrowing costs capitalised)	(4,226.34)	(4,025.55)
Dividend on equity share capital paid	(585.94)	(257.71)
Corporate dividend tax paid	(103.49)	(44.35)
Net cash generated from / (used in) financing activities (C)	7,119.56	(15,202.37)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	71.31	(489.76)
Cash and cash equivalents at the beginning of the year	354.50	844.26
Cash and cash equivalents at the close of the year	425.81	354.50

In terms of our report attached
For A. F. FERGUSON & CO.
Chartered Accountants

Jaideep Bhargava
Partner

Place : New Delhi
Date : 29.5.2015

B.P. Khandelwal
President

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For and on behalf of the Board

Shri Tilak Dhar
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Shri S.C. Kumar
Shri C. Vikas Rao
Smt. Kavitha Dutt Chitturi
Directors

Notes Forming Part of The Consolidated Financial Statements For The Year Ended March 31, 2015

1. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements", and Accounting Standard 23 (AS 23) - "Accounting for Investments in Associates in Consolidated Financial Statements" specified under Section 133 of the Companies Act, 2013 and read with Rule 7 of the Companies (Accounts) Rules, 2014.

The subsidiary Daurala Foods and Beverages Private Limited (DFBPL) (which along with DCM Shriram Industries Limited (DSIL), the parent, constitute the group) and the associate DCM Hyundai Limited (DHL) alongwith its subsidiary have been considered in preparation of these consolidated financial statements(Refer note 47).

- a) DFBPL, which is incorporated in India, is a subsidiary of the Company and percentage of voting power therein as on March 31, 2015 is 99.99% (2013-14 : 99.99%). The consolidated financial statements are based, in so far as they relate to amounts included in respect of the subsidiary on the audited financial statements prepared for consolidation in accordance with the requirements of AS 21 by the concerned subsidiary.
- b) DHL, which is incorporated in India, is an associate of the Company and percentage of voting power therein as on March 31, 2015 is 49.28% (2013-14 : 49.28%). The consolidated financial statements are based, in so far as they relate to amounts included in respect of the associate, on the consolidated audited financial statements for the year ended March 31, 2015.

2. Principles of consolidation

The consolidated financial statements have been prepared on the following basis :

- i) the financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- ii) 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.
- iii) the excess of Company's portion of the equity of the subsidiary at the date on which investment in the subsidiary is made over the cost to the Company of its investment in the subsidiary company is recognised in the financial statements as capital reserve amounting to Rs. 234.89 lacs.
- iv) Investment in associate i.e. DHL has been accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets. Accordingly, the original cost of the Company's investment in DHL is Rs. 166 lacs (2013-14 : Rs. 166 lacs). The Company's share in accumulated profits of DHL based on its consolidated financial statements is Rs. 722.84 lacs (2013-14 : Rs. 580.40 lacs) and has been accordingly reflected in these financial statements (Refer note 47).

3. Significant Accounting Policies

- a) Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiary (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant Provisions of the 1956 Act / 2013 Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention, as modified to include the revaluation of certain fixed assets. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

- b) Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires management to make prudent and reasonable estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the results of operations during

CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

Notes Forming Part of The Consolidated Financial Statements For The Year Ended March 31, 2015 (continued)

the year. Differences between the actual results and estimates are recognised in the year in which the results are known or materialised.

c) Fixed assets

i) Owned assets

All fixed assets are stated at cost of acquisition or construction including taxes and other incidental expenses related to acquisition, installation cost, except for certain assets which are revalued and are, therefore, stated at their revalued book values. Financing costs (up to the date the assets are ready for their intended use) relating to borrowed funds or deferred credits attributable to acquisition or construction of fixed assets are included in the gross book value of fixed assets to which they relate.

ii) Impairment of fixed assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

d) Depreciation

i) Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in the Schedule II to the Companies Act, 2013.

ii) Depreciation is calculated on a pro-rata basis only in respect of additions to plant and machinery having a cost in excess of Rs. 5000. Assets costing upto Rs. 5000 are fully depreciated in the year of purchase. No depreciation is provided on assets sold, discarded, etc. during the year.

iii) In respect of revalued assets, an amount equivalent to the additional charge arising due to revaluation is transferred from the Revaluation reserve to General Reserve.

iv) No write-off is made in respect of leasehold land in case of long term lease.

e) Investments

Long term investments are stated at cost as reduced by amounts written off / provision made for diminution, other than temporary, in the value of such investments. Current investments are stated at cost or fair value, whichever is lower.

f) Inventories

Stores and spares are valued at cost or under. Stock-in-trade is valued at the lower of cost and net realisable value. Cost of inventories is ascertained on a 'weighted average' basis. In the case of finished goods and process stocks, appropriate share of labour, overheads and excise duty is included.

g) Research and development

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

h) Government Grants, subsidies and export benefits

Government grants and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the same will be received. Government grants and subsidies are recognised as income and / or as reduction of cost over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

i) Employee benefits

Provision for employee benefits charged on accrual basis is determined based on Accounting Standard (AS) 15 (Revised) "Employee Benefits" as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- i) Contributions to the provident fund, gratuity fund and superannuation fund are charged to revenue.
- ii) Gratuity liability determined at balance sheet date on an actuarial basis is provided to the extent not covered by the funds available in the gratuity fund. Excess funding, if any, is recognised as an asset.
- iii) Provision for privilege and medical leave salary is determined on actuarial basis.
- iv) Provision for casual leave is determined on arithmetical basis.
- v) Actuarial gains / losses are recognised immediately in the Statement of Profit & Loss.

j) Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction.

Monetary items denominated in foreign currency are reported using the closing exchange rates on the date of the balance sheet.

The exchange differences arising on settlement of monetary items or on reporting these items at the rates different from the rates at which these were initially recorded / reported in previous financial statements, are recognised as income / expense in the year in which they arise.

In case of forward exchange contracts, the premium or discount, arising at the inception of such contracts is amortised as income or expense over the life of the contract and the exchange differences on such contracts, i.e., differences between the exchange rates at the reporting/ settlement date and the exchange rates on the date of inception of contract/ the last reporting date, is recognised as income / expense for the year.

k) Revenue recognition

Sale of goods is recognised, net of returns and trade discounts on the transfer of significant risks and rewards of ownership to the buyer which generally coincides with the dispatch of goods to customers. Gross sales are inclusive of excise duty and net of value added tax / sales tax.

Sale of Renewable Energy Certificates (RECs) is recognised as income on delivery of the RECs to customer's account as evidenced by confirmation of delivery instructions.

Other income includes interest income accounted on time - proportion basis and dividend income accounted for as and when the right to receive the payment is established.

l) Income-tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. In respect of unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

m) Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

Notes Forming Part of The Consolidated Financial Statements For The Year Ended March 31, 2015 (continued)

4. Share Capital

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Authorised		
6,50,00,000 (2013-14 - 6,50,00,000) Equity shares of Rs. 10 each	6,500.00	6,500.00
Issued, subscribed and fully paid up		
1,73,98,437 (2013-14 - 1,73,98,437) Equity shares of Rs. 10 each	1,739.84	1,739.84
	1,739.84	1,739.84

- (i) There has been no movement in the equity shares in the current and previous year
(ii) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.
(iii) Shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at 31.03.2015 No. Shares	As at 31.03.2014 No. Shares
a) Bantam Enterprises Private Limited	13,45,320	13,45,320
b) HB Stockholdings Limited	43,46,615	43,46,615
c) Life Insurance Corporation of India	13,31,259	13,31,259
d) Lily Commercial Private Limited	10,33,243	10,33,243
e) Versa Trading Limited	22,24,725	22,24,725

5. Reserves and surplus

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Amalgamation Reserve *	1,411.38	1,411.38
Capital Redemption Reserve	0.10	0.10
Securities Premium Account	3,406.68	3,406.68
Capital Reserve	234.89	234.89
Revaluation Reserve	1,711.27	2,169.46
General Reserve	13,358.25	2,902.69
Surplus in Statement of Profit and Loss	2,095.80	12,265.67
	22,218.37	22,390.87

* Arose on amalgamation of Daurala Organics Limited with the Company.

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Movement in reserves and surplus is as under:		
(a) Revaluation Reserve		
Opening balance	2,169.46	2,379.73
Less: Transferred to Statement of Profit and Loss for set off against depreciation (Refer note 30)	-	207.93
Less: Revaluation amount adjusted in carrying amount of fixed assets transferred to General reserve (Refer note 46)	316.94	-
Less: Depreciation on revalued amount of fixed assets transferred to General reserve (Refer note 3(d)(iii)) and note 46)	138.62	-
Less: Utilised for set off on deletion of revalued assets	2.63	2.34
Closing balance	1,711.27	2,169.46
(b) General Reserve		
Opening balance	2,902.69	2,602.69
Add : Transferred from Surplus in Statement of Profit and Loss	10,000.00	300.00
Add : Transferred from Revaluation Reserve (Refer note 46)	455.56	-
Closing balance	13,358.25	2,902.69
(c) Surplus in Statement of Profit and Loss		
Opening balance	12,265.67	10,091.50
Add : Profit for the year	672.13	3,186.61
	12,937.80	13,278.11
Less :Carrying amount of fixed Assets (net of deferred tax) adjusted (Refer note 46)	604.44	-
Less :Adjustments arising out of consolidation of an associates *	28.16	-
Less :Appropriations		
Transferred to General Reserve	10,000.00	300.00
Proposed Dividend on Equity shares	173.98	608.95
[Dividend per share Rs .1.00 (2013-14 -Rs. 3.50)]		
Tax on Dividend	35.42	103.49
Closing balance	2,095.80	12,265.67

* Comprises Rs.28.42 lacs adjustment on implementation of Schedule-II of the Companies Act, 2013(Refer note 46) net off Rs. 0.26 lacs on account of incorporation of consolidation impact upto previous year (refer note 47)

6. Long - term borrowings

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Secured		
Term loans		
- From banks	10,230.15	9,879.02
- From others	721.98	1,082.97
	10,952.13	10,961.99
Unsecured		
Public deposits	535.11	977.04
	11,487.24	11,939.03
Less : Current maturities of long term borrowings	3,370.06	3,793.37
	8,117.18	8,145.66

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Details of Current maturities of long term borrowings:		
Secured		
Term loans		
- From banks	2,725.54	2,992.96
- From others	360.99	360.99
Unsecured		
Public deposits	283.53	439.42
	3,370.06	3,793.37

SECURED
I. Banks

- a) Nil (2013-14 – Rs.200.00 lacs), Rs.141.00 lacs (2013-14 – Rs.713.00 lacs), Rs.1250.00 lacs (2013-14 – Rs.1875.00 lacs), Rs.1178.13 lacs (2013-14 – Rs.1450.00 lacs) and Rs.1050.00 lacs (2013-14 – Rs.276.33 lacs) currently carrying interest between 7.75% to 13.00% (net of interest subvention) and repayable in 0, 1, 8, 13 and 20 quarterly installments respectively are secured by a first mortgage and charge on all the immovable and movable properties of the Company excluding all assets of Daurala Organics, a unit of the Company, subject to prior charges created / to be created in favour of the Company's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of existing first charge holders for their respective term loans.
- b) Rs.555.33 lacs (2013-14 – Rs.1025.92 lacs) carrying interest of 12.50% and repayable in 5 quarterly installments is secured by first pari-passu charge on entire fixed assets of the Company, both present and future, excluding the assets exclusively charged and those pertaining to Daurala Organics, a unit of the Company, subject to prior charges created / to be created in favour of the Company's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created / to be created in favour of existing first charge holders for their respective term loans / debentures. Also exclusive charge on assets to be acquired in Daurala Organics, a unit of the Company.
- c) Nil (2013-14 – Rs.163.71 lacs), Rs.240.00 lacs (2013-14 – Rs.360.00 lacs), Rs.840.00 lacs (2013-14 – Rs.1120.00 lacs) and Rs.721.87 lacs (2013-14 – Rs.414.88 lacs) currently carrying interest between 7.50% to 12.75% (net of interest subvention) and repayable in 0, 8, 12 and 14 quarterly installments respectively are secured by first charge on specific movable assets of Shriram Rayons, a unit of the Company.
- d) Rs.81.00 lacs (2013-14 – Rs.231.00 lacs) currently carrying interest of 14.25% repayable in 3 quarterly installments is secured by a first mortgage and charge on all the immovable and movable properties (save and except book debts) of Daurala Organics, a unit of the Company, subject to prior charges created / to be created in favour of the Company's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of existing first charge holders for their respective term loans.
- e) Rs.459.92 lacs (2013-14 – Rs.124.46 lacs) currently carrying interest of 12.50% repayable in 14 quarterly installments is secured by a first mortgage and charge on all the immovable and movable properties (save and except book debts) of Daurala Organics, a unit of the Company, both present and future, excluding the assets exclusively charged subject to prior charges created / to be created in favour of the Company's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of existing first charge holders for their respective term loans.
- f) Rs.1900.00 lacs (2013-14 – Rs.1900.00 lacs) and Rs.235.00 lacs (2013-14 – Nil) carrying Nil interest (net of interest subvention) repayable in 36 monthly installments is secured by residual charge on fixed assets of sugar factory at Daurala Sugar Works, a unit of the Company.

CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

Notes Forming Part of The Consolidated Financial Statements For The Year Ended March 31, 2015 (continued)

- g) Rs.1560.00 lacs (2013-14 -Nil) carrying Nil interest (net of interest subvention) repayable in 12 quarterly installments is secured by a first mortgage and charge on all the immovable and movable properties of the Company excluding all assets of Daurala Organics, a unit of the Company, subject to prior charges created / to be created in favour of the Company's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of existing first charge holders for their respective term loans and 2nd pari-passu charge on all current assets of sugar division of the company excluding stocks pledged with Distt. Co-operative Banks.
- h) Rs.17.90 lacs (2013-14 – Rs.24.72 lacs) currently carrying interest of 11.25% repayable in 38 monthly installments are secured by hypothecation of specific assets.

II. Others

Rs.721.98 lacs (2013-14 – Rs.1082.97 lacs) carrying interest of 4% and repayable in 2 yearly installments is secured by exclusive second charge on immovable and movable assets of sugar factory at Daurala Sugar Works, a unit of the Company.

7. Deferred tax liabilities (Net)

	As at <u>31.03.2015</u> Rs. lacs	As at <u>31.03.2014</u> Rs. lacs
(a) Deferred tax liabilities		
- Depreciation	<u>6,162.89</u>	<u>5,629.39</u>
(b) Deferred tax assets		
- Accrued expenses deductible on payment	219.27	405.98
- Provision for gratuity and leave Salary	332.43	374.07
- Provision for doubtful debts and advances	12.27	13.77
- Unabsorbed depreciation	169.34	28.27
- Others	<u>36.30</u>	<u>47.27</u>
	<u>769.61</u>	<u>869.36</u>
Net	<u>5,393.28</u>	<u>4,760.03</u>

8. Other long - term liabilities

	As at <u>31.03.2015</u> Rs. lacs	As at <u>31.03.2014</u> Rs. lacs
Trade payables		
- Micro and small enterprises*	-	-
- Others	43.38	78.13
Others		
- Interest accrued but not due on borrowings	78.59	138.30
- Others	<u>66.26</u>	<u>59.09</u>
	<u>188.23</u>	<u>275.52</u>

* Refer Note 38.

9. Long - term provisions

	As at <u>31.03.2015</u> Rs. lacs	As at <u>31.03.2014</u> Rs. lac
Provision for employee benefits *		
- Gratuity	76.71	262.92
- Leave salary	662.17	543.93
Provision for contingencies **	<u>100.00</u>	<u>100.00</u>
	<u>838.88</u>	<u>906.85</u>

* Refer note 44.

** Refer note 34

10. Short - term borrowings

	As at 31.03.2015	As at 31.03.2014
	Rs. lacs	Rs. lacs
Loans repayable on demand – Secured from banks *	30,252.57	17,910.77
– Unsecured from Others	150.00	-
	30,402.57	17,910.77

* Secured by pledge / hypothecation of stocks / stores, both present and future. Some of these are further secured by hypothecation of book debts/receivables and also by way of second / third pari-passu mortgage and charge on the fixed assets, both present and future.

11. Trade payables

	As at 31.03.2015	As at 31.03.2014
	Rs. lacs	Rs. lacs
Acceptances	2,603.72	3,602.31
Trade payables		
- Micro and small enterprises*	1.35	-
- Others	22,054.61	28,389.37
	24,659.68	31,991.68

* Refer note 38.

12. Other current liabilities

	As at 31.03.2015	As at 31.03.2014
	Rs. lacs	Rs. lacs
Current maturities of long term borrowing *	3,370.06	3,793.37
Interest accrued but not due on borrowings	179.34	206.25
Unclaimed dividends	71.66	48.65
Unclaimed deposits and interest accrued thereon	1.54	7.65
Payables for fixed assets		
- Micro and small enterprises **	-	-
- Others	294.93	277.84
Other payables		
- Statutory dues	1,837.46	1,666.48
- Advances from customers	190.18	322.55
- Security deposits	283.65	221.59
- Others	178.37	188.22
	6,407.19	6,732.60

* Refer note 6 .

** Refer note 38.

13. Short - term provisions

	As at 31.03.2015	As at 31.03.2014
	Rs. Lacs	Rs. Lacs
Provision for employee benefits *		
- Leave salary	221.67	293.70
Proposed dividend	173.98	608.95
Tax on dividend	35.42	103.49
	431.07	1,006.14

* Refer note 44.

CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

Notes Forming Part of The Consolidated Financial Statements For The Year Ended March 31, 2015 (continued)

Particulars	Gross block				Depreciation				Net block	
	As at 31.03.2014	Additions	Deductions	As at 31.03.2015	As at 31.03.2014	For the year	On deductions	Other Adjustment #	As at 31.03.2015	As at 31.03.2014
Tangible Assets										
Land	1,290.67	-	-	1,290.67	-	-	-	-	1,290.67	1,290.67
Buildings	7500.80	581.74	10.48	8,072.06	4,031.54	214.73	5.61	150.41	4,391.07	3,469.26
Plant and equipment	53203.74	4,225.89	15.02	57,414.61	29481.75	1,365.37	7.41	498.71	31,338.42	23,721.99
Furniture and fixtures	585.20	30.86	7.64	608.42	449.28	42.95	4.17	23.82	511.88	135.92
Vehicles	706.71	162.78	81.18	788.31	302.42	96.72	50.04	3.05	352.15	404.29
Office equipment	612.22	182.72	20.04	774.90	323.67	107.31	14.71	51.58	467.85	288.55
Total Tangible Assets	63899.34	5,183.99	134.36	68,948.97	34,588.66	1,827.08	81.94	727.57	37,061.37	31,887.60
Previous year	61548.89	2,671.61	321.16	63,899.34	32,404.64	2,444.97	260.95	-	34,588.66	29,310.68
Capital work in progress										871.62
										1846.17

i) The Holding Company had revalued its land and buildings as at March 31, 1993 and plant and equipment (other than office equipment) as at April 1, 1993. Land, buildings and plant and equipment (other than office equipment) were again revalued on March 31, 1999. These revaluations which were based on depreciated current replacement values on the basis of an independent valuation through an approved valuer resulted in a net increase in the gross block by Rs.16283.80 lacs of which Rs.12079.13 lacs (2013-14 Rs.12087.75 lacs) is included in the gross block of fixed assets as on March 31, 2015. The revaluation amount included in net block is Rs.789.07 lacs(2013-14 -Rs.789.07 lacs) in Land. Rs.536.88 lacs(2013-14 - Rs.577.62 lacs) in Buildings and Rs. 385.32 lacs (2013-14 - Rs. 802.77 lacs) in Plant & equipment.

ii) Some of the titles in land and other properties acquired from DCM Limited pursuant to the Scheme of Arrangement are yet to be endorsed in the name of the Company.

iii) The amount of borrowing cost capitalised to fixed assets - plant and equipment during the year is Rs. 70.76 lacs (2013-14 Rs.5.42 lacs)

Refer note 46

15. Non-current investments*

	As at <u>31.03.2015</u> Rs. lacs	As at <u>31.03.2014</u> Rs. lacs
Trade Investments – Unquoted		
Investments in equity instruments		
- Daurala Co-operative Development Union Limited 2 (2013-14 - 2) Equity shares of Rs. 10 each, fully paid-up @ (Rs.20)	@	@
Other Investments - Unquoted		
Investments in equity instruments		
- Investment in shares of Associate company		
- DCM Hyundai Limited 19,72,000 (2013-14 - 19,72,000) Equity shares of Rs. 10 each, fully paid up	166.00	166.00
Add- Group share of net profit	722.84	580.40
	<u>888.84</u>	<u>746.40</u>
Investment in preference shares		
- Versa Trading Limited 7,00,000 (2013-14 - 7,00,000) 5% redeemable non-cumulative Preference shares of Rs. 100 each, fully paid-up	700.00	700.00
Less : Provision for diminution in value	<u>700.00</u>	-
	<u>888.84</u>	<u>746.40</u>
(I) Aggregate amount of unquoted investments (net of provision for diminution in value)	888.84	746.40
(ii) Aggregate provision for diminution in value of investments	700.00	700.00
* Refer Note 3 (e)		

16 Long-term loans and advances

(unsecured, considered good unless otherwise stated)

	As at <u>31.03.2015</u> Rs. lacs	As at <u>31.03.2014</u> Rs. lacs
Capital advances	83.65	344.67
Security deposits	268.89	379.74
MAT Credit entitlement	1,634.97	1,330.18
Advance tax (net of provision)	1,140.36	387.73
Other loans and advances		
- Excise, Cenvat and VAT receivable	297.25	301.37
- To employees	30.29	39.19
- Others		
- Unsecured - considered good	13.87	18.01
- Unsecured - considered doubtful	1.30	3.94
	<u>3,470.58</u>	<u>2,804.83</u>
- Less : Provision for doubtful advances	1.30	3.94
	<u>3,469.28</u>	<u>2,800.89</u>

CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

Notes Forming Part of the Consolidated Financial Statements for the Year Ended March 31, 2015 (continued)

17. Current investments *

	As at <u>31.03.2015</u> Rs. lacs	As at <u>31.03.2014</u> Rs. lacs
Investments in Mutual Funds – Fully paid up Unquoted		
16827.250 (2013-14 – 28466.237) Reliance Money Manager Fund Growth Plan – Growth units of Rs. 1000 each	320.00	500.00
147057.575 (2013-14 – 203598) Birla Sunlife Saving Fund - Growth Regular Plan units of Rs.10 each	391.49	500.00
36967.546 (2013-14 – 36967.546) IDBI Liquid Fund - Direct Plan Growth units of Rs. 1000 each	500.00	500.00
972.204 (2013-14 – Nil) SBI Magnum Insta cash Fund - Regular Plan Growth units of Rs.1000 each	30.00	-
Nil (2013-14 – 1102082.201) HDFC Cash Management Fund Treasury Advantage Plan Retail – Growth units of Rs. 10 each	-	300.00
Nil (2013-14 – 1760780.378) HSBC Ultra Short Term Bond Fund Growth units of Rs. 10 each	-	200.00
Nil (2013-14 – 669379.246) HSBC Short Term Plan Income Fund Growth units of Rs. 10 each	-	140.00
	1,241.49	2,140.00
Aggregate repurchase price of units of mutual funds	1,302.27	2,150.69
* Refer note 3 (e)		

18 Inventories *

	As at <u>31.03.2015</u> Rs. lacs	As at <u>31.03.2014</u> Rs. lacs
Raw materials **	5,742.64	5,817.26
Work-in-progress	1,395.13	1,557.26
Finished goods ***	31,645.84	30,612.92
Traded goods	24.01	33.96
Stores and spares	3,925.71	3,402.02
	42,733.33	41,423.42
* Refer note 3(f)		
** Includes raw materials in transit Rs.91.17 lacs (2013-14 Rs.535.44 lacs)		
*** Includes finished goods in transit Rs.611.33 lacs (2013-14 Rs.423.65 lacs)		

19 Trade receivables

	As at <u>31.03.2015</u> Rs. lacs	As at <u>31.03.2014</u> Rs. lacs
Outstanding for a period exceeding 6 months from the date they are due for payment		
Unsecured - considered good	24.88	15.14
- considered doubtful	34.14	36.59
	59.02	51.73
Less : Provision for doubtful receivables	34.14	36.59
	24.88	15.14
Others		
Secured - considered good	0.50	2.56
Unsecured - considered good	9,602.96	11,216.17
	9,603.46	11,218.73
	9,628.34	11,233.87

20. Cash and Cash Equivalents*

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Cash and cash equivalents :		
- Cash in hand	35.28	40.67
- Balances with banks – in current accounts	390.53	313.83
Cash and cash equivalents (As per AS-3 Cash flow statement)	425.81	354.50
Other bank balances :		
In deposit accounts		
- Original maturity more than 3 months and upto 12 months	338.59	221.17
- Original maturity more than 12 months *	19.02	21.00
In earmarked accounts		
- Unpaid dividend accounts	71.66	48.65
- Balances held as margin money or security against borrowings, guarantees and other commitments		
- Original maturity more than 3 months and upto 12 months	76.35	146.56
- Original maturity more than 12 months	-	60.00
- Other earmarked accounts	6.79	42.82
Other bank balances	512.41	540.20
Cash and cash equivalents	938.22	894.70
* Balances with banks include deposits with remaining maturity of more than 12 months from the balance sheet date	19.02	5.00

21. Short - term loans and advances
(Unsecured considered good unless otherwise stated)

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Loans and advances to related parties - Secured *	-	621.41
Other loans and advances		
- Security deposits	0.97	4.70
- Excise, Cenvat, VAT receivable and other Govt. dues	2,272.99	2,352.97
- To employees	20.82	21.92
- Others	2,443.76	1,890.65
	4,738.54	4,891.65

* Refer note 40

22. Other current assets

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Interest accrued on deposits	44.89	44.13
Unbilled revenue	676.21	528.05
Sugarcane subsidy *	3,277.93	-
	3,999.03	572.18

* Refer note 45

23. Revenue from operations

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
Sale of products		
- Export	37,402.99	37,700.31
- Domestic	92,369.83	94,962.22
	1,29,772.82	1,32,662.53
Sale of services		
- Processing charges	1,356.39	1,439.91
- Others	43.40	134.84
	1,399.79	1,574.75
	1,31,172.61	1,34,237.28
Other operating revenues		
- Sale of scrap	502.08	415.59
- Duty Draw back and Other export benefits	2,334.54	2,216.20
- Sale of Renewable Energy Certificates	774.27	269.87
- Others	25.69	21.22
	3,636.58	2,922.88
	1,34,809.19	1,37,160.16
Less: Excise duty	4,959.12	5,830.12
	1,29,850.07	1,31,330.04

Product-wise particulars of sales are as under :

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
Sugar	44,731.26	44,625.36
Alcohol	16,590.75	18,246.34
Organic / Fine chemicals	29,741.13	30,597.46
Industrial fibres	31,915.76	32,404.47
Others	6,793.92	6,788.90
	1,29,772.82	1,32,662.53

CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

Notes Forming Part of the Consolidated Financial Statements for the Year Ended March 31, 2015 (continued)

24. Other Income

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
Interest income *	229.68	250.27
Profit on sale of fixed assets	69.58	59.76
Provisions / Liabilities no longer required, written back	349.31	220.24
Rent	33.23	32.01
Profit on sale of current investments	38.79	76.63
Gain on foreign exchange fluctuation (net)	-	900.06
Miscellaneous income	47.86	100.42
	<u>768.45</u>	<u>1,639.39</u>

* Income-tax deducted at source Rs. 15.75 lacs (2013-14 Rs.14.66 lacs)

25. Cost of materials consumed

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
Opening stock	5,817.26	6,144.13
Add: Purchases	76,602.93	72,970.13
	<u>82,420.19</u>	<u>79,114.26</u>
Less : Closing stock	5,742.64	5,817.26
	<u>76,677.55</u>	<u>73,297.00</u>

Particulars of materials consumed are as under :

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
Sugarcane	44,238.03	40,878.97
Wood pulp	8,577.89	8,081.32
Others	23,861.63	24,336.71
	<u>76,677.55</u>	<u>73,297.00</u>

26. Purchase of traded goods

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
Grain Spirit	10,590.27	10,837.89
Others	60.56	402.54
	<u>10,650.83</u>	<u>11,240.43</u>

27. (Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
Opening stock		
Finished goods	30,612.92	33,548.34
Work-in-progress	1,557.26	1,334.42
Traded goods	33.96	57.85
	<u>32,204.14</u>	<u>34,940.61</u>
Closing stock		
Finished goods	31,645.84	30,612.92
Work-in-progress	1,395.13	1,557.26
Traded goods	24.01	33.96
	<u>33,064.98</u>	<u>32,204.14</u>
	<u>(860.84)</u>	<u>2,736.47</u>

Particulars of Stocks of Finished / Traded Goods & Work-in-progress are as under :

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
<u>Stocks of Finished Goods / Traded Goods</u>		
Sugar	29,147.18	29,042.07
Alcohol	114.23	197.46
Organic / Fine chemicals	836.23	406.20
Industrial fibres	1,495.14	916.31
Other	77.07	84.84
	<u>31,669.85</u>	<u>30,646.88</u>
<u>Work-in-progress</u>		
Sugar	434.57	564.47
Alcohol	54.50	69.63
Organic / Fine chemicals	495.35	524.05
Industrial fibres	410.71	399.11
	<u>1,395.13</u>	<u>1,557.26</u>

28. Employee benefits expense

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
Salaries, wages etc	7,888.89	7,612.60
Contribution to provident and other funds	943.94	993.44
Staff welfare expenses	411.05	358.51
	<u>9,243.88</u>	<u>8,964.55</u>

29 Finance costs

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
Interest expense	3,815.05	3,710.20
Other borrowing costs	252.48	283.58
	<u>4,067.53</u>	<u>3,993.78</u>

30 Depreciation

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
Depreciation on tangible assets	1,827.08	2,444.97
Less:-Transferred from revaluation reserve *	-	207.93
	<u>1,827.08</u>	<u>2,237.04</u>

* Refer note 3 (d) and note 46

31 Other expenses

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
Stores and spares	7,211.41	6,641.84
Power and fuel	8,863.37	8,525.54
Repairs - Building	491.18	406.16
- Plant and machinery	3,095.98	2,855.98
Rent	485.53	451.94
Auditors' remuneration		
- As auditors	29.45	27.45
- Tax Audit	0.22	0.22
- Limited review of unaudited financials results	21.60	16.35
- Verification of statements and other records	4.34	5.15
- Out-of-pocket expenses	0.75	0.50
Insurance	160.63	162.09
Rates and taxes	49.50	68.24
Increase / (decrease) in excise duty on finished goods	243.13	(137.46)
Freight and transport	917.31	854.22
Commission to selling agents	1,946.85	1,919.63
Loss on sale of fixed assets	14.19	25.99
Donation #	31.99	15.46
Provision for contingencies *	-	100.00
Bad debts and advances provided / written off	4.29	16.47
Loss on foreign exchange fluctuation (net)	82.67	-
Miscellaneous expenses	4,100.19	3,909.19
	<u>27,754.58</u>	<u>25,864.96</u>

* Refer Note 34

Includes Rs. 22.50 lacs (2013-14 -Nil) for CSR activities.

32 Tax expense

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
Current Tax		
- Provision for tax	304.79	993.76
- MAT (credit) / reversal	(304.79)	113.34
	<u>-</u>	<u>1,107.10</u>
Deferred tax charge	756.38	560.55
	<u>756.38</u>	<u>1,667.65</u>

CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

Notes Forming Part of the Consolidated Financial Statements for the Year Ended March 31, 2015 (continued)

	This year (Rs.lacs)	Previous year (Rs.lacs)
33. Earnings per share		
Profit after tax as per Statement of Profit and Loss (Rs.lacs)	672.13	3186.61
Weighted average number of Equity shares outstanding (Nos.)	173,98,437	173,98,437
Earnings per share - basic / diluted (face value - Rs. 10 per share) (Rs.)	3.86	18.32
34. Provision for contingencies of Rs. 100 lacs (2013-14 Rs. 100 lacs) in Note 9 represents the maximum possible exposure on ultimate settlement of issues relating to reorganisation arrangement of the Company.		
	As at 31.03.2015 (Rs. lacs)	As at 31.03.2014 (Rs. lacs)
35. Contingent liabilities not provided for:-		
a) Income tax matters*	915.30	912.10
b) Excise and Service tax matters*	407.16	144.27
c) Claims against the Company not acknowledged as debts (excluding claims by employees, where amount is not ascertainable)*	903.71	895.29
d) Bills discounted	3635.81	3045.21
* Matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of the management, have a material effect on the results of the operations or financial position.		
36. a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to Rs. 104.73 lacs (2013-14 - Rs. 1216.15 lacs).		
b) The Group has other commitments, for purchase / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreement in normal course of business. The Group does not have any long term commitments / contracts including derivative contracts for which there will be any material foreseeable losses.		
37. Research and development expenses amounting to Rs. 146.50 lacs (2013-14 - Rs. 128.63 lacs) have been charged to the respective revenue accounts. Capital expenditure relating to research and development amounting to Rs. 58.76 lacs (2013-14 - Rs. 30.04 lacs) has been included in fixed assets.		
38. Parties covered under "The Micro, Small and Medium Enterprise Development Act, 2006" (MSMED Act, 2006) have been identified on the basis of confirmation received. Based upon the information available, the balance due to the Micro and Small Enterprises as defined under the MSMED Act, 2006 is Rs. 1.35 lacs (2013-14 - Nil). Further no interest during the year has been paid or is payable under the terms of the MSMED Act, 2006.		
39. Segment reporting		
A. Business segments Based on the guiding principles given in Accounting Standard (AS)17 "Segment Reporting" as notified under the Companies (Accounting Standards) Rules, 2006, the Group's business segments are Sugar (comprising sugar, power and molasses based alcohols), Industrial Fibres and related products (comprising rayon, synthetic yarn, cord, fabric etc.) and Chemicals (comprising Organic & Fine Chemicals).		
B. Geographical segments The Group's geographical segments are Domestic and Overseas, by location of customers.		
C. Segment accounting policies In addition to the significant accounting policies applicable to the segments as set out in note 3 of notes forming part of the consolidated financial statements of the accounting policies in relation to segment accounting are as under :-		
i) Segment assets and liabilities Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include investments, share capital, reserves and surplus, loan funds, income tax - current and deferred and certain other assets and liabilities not allocable to the segments on a reasonable basis. While most of the assets/liabilities can be directly attributed to individual segments, the carrying amount of certain assets/liabilities allocable to two or more segments are allocated to the segments on a reasonable basis.		
ii) Segment revenue and expenses Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segment.		
iii) Unallocated expenses Unallocated expenses represent general administrative expenses, head-office expenses and other expenses that arise at the Company level and relate to the Company as a whole. As such, these expenses have not been considered in arriving at the segment results.		
iv) Inter segment sales Inter segment sales between operating segments are accounted for at market price. These transactions are eliminated in consolidation.		

I. Information about Primary segments (Business segments)

(Rs. lacs)

Particulars	Sugar *		Industrial fibres and related products		Chemicals		Elimination		Total	
	This year	Previous year	This year	Previous year	This Year	Previous year	This Year	Previous year	This Year	Previous year
Segment revenue										
External sales	65939.11	66432.36	33338.21	34253.67	31895.29	33551.25	-	-	131172.61	134237.28
Less : Excise Duty	1948.58	2592.00	379.84	458.52	2630.70	2779.60			4959.12	5830.12
	63990.53	63840.36	32958.37	33795.15	29264.59	30771.65	-	-	126213.49	128407.16
Income from operations	1035.22	457.06	2074.71	1945.90	526.65	519.92			3636.58	2922.88
Inter segment revenue	17.64	2.74	-	-	5.66	-	(23.30)	(2.74)	-	-
Other Income	206.69	212.15	97.85	1052.43	338.18	224.83	-	-	642.72	1489.41
Unallocable income									125.73	149.98
Total revenue	65250.08	64512.31	35130.93	36793.48	30135.08	31516.40	(23.30)	(2.74)	130618.52	132969.43
Segment results	(422.20)	1033.36	4715.27	6843.70	2742.20	2409.64			7035.27	10286.70
Unallocated expenses (net of unallocated income)									1709.83	1657.72
Operating profit									5325.44	8628.98
Finance Costs									4067.53	3993.78
Profit Before Tax									1257.91	4635.20
Tax expenses										
- Current tax									-	1107.10
- Deferred tax charge									756.38	560.55
Profit after tax before results of an associate									501.53	2967.55
Share of net profit of associate									170.60	219.06
Profit after tax									672.13	3186.61
Other information										
Segment assets	56927.99	52102.12	25614.85	25559.91	11759.22	11847.57			94302.06	89509.60
Unallocated assets									6094.23	6350.36
Total assets	56927.99	52102.12	25614.85	25559.91	11759.22	11847.57			100396.29	95859.96
Segment liabilities	18540.28	24768.17	6790.30	6814.32	2682.20	3679.44			28012.78	35261.93
Share capital & reserves									24167.61	24130.71
Unallocated liabilities									48215.90	36467.32
Total liabilities	18540.28	24768.17	6790.30	6814.32	2682.20	3679.44			100396.29	95859.96
Capital expenditure	825.13	203.20	2909.00	2330.52	419.07	454.95				
Depreciation	611.50	1020.79	760.32	646.52	404.18	530.58				
Non cash expenses other than depreciation	2.19	7.01	5.13	22.47	1.25	7.28				

* Comprising sugar, power and alcohols.

II. Information about Secondary segments (Geographical segments)

(Rs. lacs)

Particulars	Domestic		Overseas		Total	
	This year	Previous year	This year	Previous year	This year	Previous year
External Revenue by location of customers	93215.53	95269.12	37402.99	37700.31	130618.52	132969.43
Carrying amount of segment assets by location	89143.75	82566.59	5158.31	6943.01	94302.06	89509.60
Capital expenditure by location of assets	4153.20	2988.67	-	-	4153.20	2988.67

40. Related party disclosures under Accounting Standard (AS)18

A. Names of related parties and nature of related party relationship

Associate : DCM Hyundai Limited (DHL).

Key management personnel : Mr. Tilak Dhar, Mr. Alok B. Shriram, Mr. D.C. Mittal (upto 30/06/2014), Mr. Madhav B. Shriram, Mr. Anil Gujral and Mr. K. N. Rao (w.e.f. 01/02/2014).

Relatives/HUF of key management personnel : Mrs. Karuna Shriram, Mrs. Kiran Mittal (upto 30/06/2014), Mr. Akshay Dhar, Ms. Kanika Shriram, Mrs. Divya Shriram, Ms. Aditi Dhar, Ms. Ritu Bansal (upto 30/06/2014), Mr. Rudra Shriram (w.e.f. 22/08/2013), Mrs. K. Rao (w.e.f. 01/02/2014) and M/s. Bansi Dhar & Sons - HUF (BDS).

Others (Enterprise over which key management personnel or their relatives are able to exercise significant influence) : Bantam Enterprises Private Limited (BEPL) and H.R. Travels Private Limited (HRTPL).

CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

Notes Forming Part of the Consolidated Financial Statements for the Year Ended March 31, 2015 (continued)

B. Transactions with related parties referred to in 40 (A)

i) Transactions with associate

(Rs. lacs)

Particulars	This Year	Previous Year
Interest charged on loan - DHL	54.54	59.61
Loan received back - DHL	541.94	-
Interest received on loan - DHL	134.01	65.96
Balance outstanding as at the year end from - DHL		
- Principal	-	541.94
- Interest	-	79.47

ii) Transactions with key management personnel, their relatives / HUF and others

(Rs. lacs)

Particulars	This year	Previous year
Remuneration *		
- Key management personnel		
- Mr. Tilak Dhar	58.76	88.32
- Mr. Alok B. Shriram	60.96	88.32
- Mr. D.C. Mittal	45.54	52.23
- Mr. Madhav B. Shriram	60.99	66.11
- Mr. K. N. Rao	40.85	5.75
- Mr. Anil Gujral	-	31.58
- Relatives of key management personnel	20.40	13.40
	287.50	345.71
Rental expenses		
- Relatives/HUF of key management personnel		
- BDS	88.05	48.90
- Mrs. Karuna Shriram	4.07	4.44
- Mrs. Kiran Mittal	4.35	17.13
- Mrs. K. Rao	3.24	0.54
- Others	31.86	5.55
- BEPL	6.38	1.14
- HRTPL	-	-
	137.95	77.70
Purchase of fixed assets		
- Others - BEPL	148.69	-
	148.69	-
Public Deposits received		
- Relatives of key management personnel - Mrs. Ritu Bansal	-	0.80
	-	0.80
Public Deposits paid		
- Relatives of key management personnel		
- Mrs. Divya Shriram	-	10.00
- Mr. Akshay Dhar	2.00	-
- Ms. Aditi Dhar	2.00	-
	4.00	10.00
Security Deposits given		
- Relatives/HUF of key management personnel		
- BDS	-	8.10
- Mrs. K. Rao	-	0.21
	-	8.31
Security Deposits received back		
- Relatives of key management personnel - Mrs. Kiran Mittal	17.40	-
	17.40	-
Advance Rent paid		
- Relatives/HUF of key management personnel		
- BDS	-	11.70
- Mrs. K. Rao	-	0.81
	-	12.51
Advance Rent adjusted		
- Relatives/HUF of key management personnel		
- BDS	3.90	3.64
- Mrs. K. Rao	0.41	0.40
	4.31	4.04
Balance outstanding at the year end		
- Receivables		
- Relatives/HUF of key management personnel		
- BDS	40.63	44.53
- Mrs. K. Rao	0.81	1.22
- Mrs. Kiran Mittal	-	17.40
	41.44	63.15
- Payables (Public Deposits)		
- Key management personnel	-	14.42
- Relatives of key management personnel	-	14.00
- Mrs. Ritu Bansal	-	7.72
- Mr. Akshay Dhar	-	2.00
- Ms. Aditi Dhar	-	2.00
	-	40.14

* Does not include provision for leave salary and contribution / provision towards gratuity, since the contribution /provision is made for the Company as a whole on actuarial basis.

41. Disclosures in respect of assets taken on Operating Lease under Accounting Standard (AS) 19 "Leases" is as under :

- i) The Company has entered into operating leases agreements for various premises taken for accommodation of company's officers / directors and various offices of the Company. As at March 31, 2015 the future minimum lease payments under non-cancellable period which is not later than one year are Rs. Nil (2013-14 Rs. Nil).
- ii) Lease rent charged to the Statement of Profit & Loss relating to operating leases entered or renewed after April 1, 2001 are Rs. 485.53 lacs (2013-14 - Rs. 451.94 lacs).

42. a) Category-wise quantitative data about derivative instruments as at year end :-

Nature of Derivative	Number of deals		Purpose		Amount in foreign currency			Amount (Rs. lacs)	
	As at 31.03.15	As at 31.03.14	As at 31.03.15	As at 31.03.14	Currency	As at 31.03.15	As at 31.03.14	As at 31.03.15	As at 31.03.14
Forward Cover	6	6	Hedging	Hedging	Euro	700000	600000	469.70	491.46

b) Foreign currency exposure of the Company that is not hedged by derivative instruments or otherwise is as follows:-

Particulars	As at 31.03.15			As at 31.03.14		
	Amount in foreign currency	Amount (Rs. lacs)		Amount in foreign currency	Amount (Rs. lacs)	
- Trade receivables	Euro	4102474	2752.76	Euro	5978432	4896.34
	US\$	3852570	2398.03	US\$	3390990	2020.57
	GBP	-	-	GBP	25927	26.10
- Sundry advances	Euro	11208	7.52	Euro	-	-
- Acceptances	Euro	-	-	Euro	14936	12.47
	US\$	4136633	2603.72	US\$	5947564	3589.84
- Trade payables	Euro	36285	24.77	Euro	59067	49.39
	US\$	952074	600.35	US\$	361160	218.00
- Bank borrowings	Euro	1100000	749.32	Euro	-	-
- Commission & discount	US\$	99838	62.84	US\$	41063	24.78
	Euro	772021	525.90	Euro	553607	460.32
- Royalty	Euro	48720	33.33	Euro	39710	33.15

43. Proceedings in a Petition filed by a shareholder before the Hon'ble Company Law Board (CLB) u/s 397/398 of the Companies Act, 1956 in November 2007, challenging the preferential issue of equity warrants by the Company, are continuing.

44. Employee benefits

a) Defined contribution plans

Rs. 642.24 lacs (2013-14 - Rs. 577.30 lacs) for provident fund contribution and Rs.154.96 lacs (2013-14 - Rs. 140.67 lacs) for superannuation fund contribution have been charged to the Statement of Profit and Loss. The contributions towards these schemes are at rates specified in the rules of the schemes. In case of provident fund administered through a trust, shortfall if any, shall be made good by the Company.

b) Defined benefit plans

- i) Liability for gratuity, privilege leaves and medical leaves is determined on actuarial basis. Gratuity liability is provided to the extent not covered by the funds available in the gratuity fund.
- ii) Gratuity Scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service, except death while in employment.

CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

Notes Forming Part of the Consolidated Financial Statements for the Year Ended March 31, 2015 (continued)

iii) The basis for determination of liability is as under :

	As at March 31, 2015 (Rs./lacs)		As at March 31, 2014 (Rs./lacs)	
	Gratuity Scheme	Privilege and medical leaves	Gratuity Scheme	Privilege and medical leaves
Change in present value of obligation				
1. Present value of obligation as at the beginning of the year	2,992.25	710.83	2818.36	641.19
2. Current service cost	157.16	67.12	151.48	63.59
3. Interest cost	261.82	62.19	225.47	51.29
4. Actuarial (gain)/loss	(20.42)	135.83	121.39	147.21
5. Benefits paid	(341.83)	(225.02)	(324.45)	(192.45)
6. Present value of obligation as at the end of the year	3,048.98	750.95	2992.25	710.83
Change in plan assets				
1. Plan assets at the beginning of the year	2729.33	-	2521.74	-
2. Expected return on plan assets	251.09	-	223.17	-
3. Contribution by the Company	-	-	-	-
4. Benefits paid	(8.88)	-	(15.42)	-
5. Actuarial gain / (loss)	0.73	-	(0.16)	-
6. Plan assets at the end of the year	2972.27	-	2729.33	-
Liability recognised in the financial statements	76.71	750.95	262.92	710.83
Long term	76.71	662.17	262.92	543.93
Short term	-	88.78	-	166.90
Cost for the year				
Change in present value of obligation				
1. Current service cost	157.16	67.12	151.48	63.59
2. Interest cost	261.82	62.19	225.47	51.29
3. Expected return on plan assets	(251.09)	-	(223.17)	-
4. Actuarial (gain)/loss	(21.15)	135.83	121.55	147.21
5. Net cost	146.74	265.14	275.33	262.09
Constitution of plan assets				
Other than equity, debt, property and bank account	-	-	-	-
Funded with LIC *	2972.27	-	2729.33	-
Main actuarial assumptions				
Discount rate	7.75% p.a.	7.75% p.a.	8.75% p.a.	8.75% p.a.
Rate of increase in compensation levels	5.25% p.a.	5.25% p.a.	6.25% p.a.	6.25% p.a.
Rate of return on plan assets	9.20% p.a.	-	8.85% p.a.	-
Expected average remaining working lives of employees (years)	14.34	16.18	14.07	15.59

* The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of Investments maintained by Life Insurance Corporation are not made available and have therefore not been disclosed.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as demand and supply in the employment market.

iv) Disclosure relating to present value of defined benefit obligation and fair value of plan assets and net actuarial gain/(loss):

(Rs./ lacs)

Particulars	2014-15		2013-14		2012-13		2011-12		2010-11	
	Gratuity Scheme	Privilege & Medical leaves	Gratuity Scheme	Privilege & Medical leaves	Gratuity Scheme	Privilege & Medical leaves	Gratuity Scheme	Privilege & Medical leaves	Gratuity Scheme	Privilege & Medical leaves
Present value of obligation as at the end of the year	3048.98	750.95	2992.25	710.83	2818.36	641.19	2590.79	562.81	2508.49	550.62
Fair value of plan assets at the end of the year	2972.27	-	2729.33	-	2521.74	-	2326.67	-	2165.22	-
Surplus /(Deficit) in plan assets	(76.71)	(750.95)	(262.92)	(710.83)	(296.62)	(641.19)	(264.12)	(562.81)	(343.27)	(550.62)
Actuarial Gain/(loss) on plan assets	0.73	-	(0.16)	-	1.37	-	(18.66)	-	2.50	-
Actuarial Gain/(loss) on obligation	20.42	(135.83)	(121.39)	(147.21)	(206.36)	(145.01)	(16.07)	(124.71)	(83.23)	(95.68)

45. The Government of Uttar Pradesh has announced subsidy on sugarcane purchased during the sugar season 2014-15 linked to average selling price of sugar and its by-products during the period 1st October, 2014 to 31st May, 2015 to be finalised by a Committee to be constituted by the Government of Uttar Pradesh. Based on prevailing and expected prices, the Company is confident of realising the full subsidy of Rs. 28.60 per qtl. aggregating to Rs. 3972.41 lacs. Pending final determination of the amount of subsidy, the company has on a conservative basis accounted for Rs. 3277.93 lacs in the Statement of Profit & Loss for the year by adjustment of raw material consumption in note 25. Necessary adjustments would be made on final determination of the amount of subsidy.

46. Schedule II of the Companies Act, 2013 became applicable w.e.f. April 1, 2014. Accordingly :

- depreciation for the year computed in accordance with the useful life of fixed assets as prescribed in Schedule II is lower by Rs. 543.25 lacs and Rs. 138.62 lacs, being an amount equivalent to the additional charge arising due to revaluation has been transferred from Revaluation reserve to General reserve.
- in respect of fixed assets where the remaining useful life as per Schedule II is Nil, the carrying amount (after retaining residual value) of Rs. 604.44 lacs (including revalued amount Rs. 316.94 lacs and net of deferred tax Rs. 123.13 lacs) has been adjusted against the opening balance of surplus in Statement of Profit & Loss and the revalued amount has been transferred from Revaluation reserve to General reserve.

In addition, Rs. 28.42 lacs being the Group share in adjustments relating to (b) above, made by its associate has been adjusted from the opening balance of surplus in Statement of Profit & Loss.

47. The Consolidated Financial Statements include an associate of the Company which has prepared its Consolidated Financial Statements after including its subsidiary for the first time in 2014-15 and accordingly Group's additional share in the consolidated financial statements upto March 31, 2014 amounting to Rs. 0.26 lacs has been accounted for in the current year by way of credit to opening balance of surplus in Statement of Profit & Loss. As per transitional provision of Accounting Standard AS-21 "Consolidated Financial Statements" this associate has not presented the consolidated comparative previous year figures. Accordingly, the previous year figures in these accounts are based on consolidation of this associate on Standalone basis. To this extent they are not comparable with current year figures.

CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

Notes Forming Part of the Consolidated Financial Statements for the Year Ended March 31, 2015 (continued)

48. Details of dues of Income-tax, Sales Tax, Service Tax and Excise Duty which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount involved * (Rs. lacs)	Amount paid under protest (Rs. lacs)
Central Excise Act, 1944	Excise Duty	High Court	March '86 to December '89	20.00	-
	Modvat Credit	Commissioner (Appeals)	1995-96, November '04 to December '08	31.79	-
	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal	2003-04**	17.30	-
	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal	2007-08**	11.89	-
	Excise Duty	Commissioner (Appeals)	2006-07**	6.69	-
Service Tax Laws- Finance Act, 1994	Service Tax	Deputy Commissioner	January '08 to October '08	1.44	-
		Customs, Excise & Service Tax Appellate Tribunal	July '12 to March '14	236.16	10.00
		Assistant Commissioner, Central Excise & Customs	December'09 to December'10	4.28	-
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2003-06	1708.75	1708.75
		Commissioner of Income Tax (Appeals)	2009-10**	1452.00	-
	TDS	Income Tax Officer (TDS)	2006-11**	6.50	-
Sales Tax Laws	Sales Tax	Additional Commissioner (Appeals)	2004-05, 2010-11 and 2011-12	10.09	3.08
		Joint Commissioner	2010-11	0.11	-
	Sales Tax	Appellate Assistant Commissioner	2002-03**	2.22	-
	Sales Tax	Additional Commissioner	2012-13**	0.31	-

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

** Relates to associate. Disclosed at full amount.

Further, in respect of following matters, the concerned authority is in appeal against favourable orders received by the Holding Company:

Name of the Statute	Nature of dues	Forum where department has preferred appeal	Period to which the amount relates (various years covering the period)	Amount involved * (Rs. lacs)
Central Excise Act, 1944	Excise duty	Customs, Excise & Service Tax Appellate Tribunal	2003-08	26.71
		High Court	1998-99	3.54
	Modvat Credit	High Court	1995-96	15.15
Service Tax Laws- Finance Act, 1994	Service Tax	Customs, Excise & Service Tax Appellate Tribunal	2005	2.01
Sales Tax Laws	Sales Tax	High Court	1976-80, 1982-85, 1989-90, 1992-93, 1995-98 and 2008-11	129.44

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

There are no dues in respect of Wealth Tax, Customs Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities.

49. Additional Information as required by paragraph 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III of the Companies Act, 2013.

(Rs./lacs)

	Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in Profit or Loss	
		As % of consolidated net assets	Amount	As % of consolidated Profit or Loss	Amount
	1	2	3	4	5
1	Parent – DCM Shriram Industries Ltd.	92.59%	22376.63	65.64%	441.17
2	Subsidiary - Daurala Foods & Beverages Pvt. Ltd. - Minority Interest	3.73%	902.11	8.98%	60.36
			Rs. 127.14		Rs. 8.05
3	Associate – DCM Hyundai Ltd.	3.68%	888.87	25.38%	170.60

50. Previous year's figures have been regrouped / recast wherever necessary to correspond with the current year's classification / disclosures.

Signatures to Notes forming part of Financial Statements

B.P. Khandelwal
President
N.K. Jain
Chief Financial Officer
Y.D. Gupta
Sr. General Manager & Company Secretary

For and on behalf of the Board

Shri Tilak Dhar
Chairman & Managing Director
Shri Alok B. Shriram
Dy. Managing Director

Shri K.N. Rao
Shri P.R. Khanna
Shri S.B. Mathur
Shri Ravinder Narain
Shri S.C. Kumar
Shri C. Vikas Rao
Smt. Kavitha Dutt Chitturi
Directors

Place : New Delhi
Date : 29.5.2015

CONSOLIDATED FINANCIAL STATEMENTS - DCM SHRIRAM INDUSTRIES LIMITED

Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs./lacs)

1.	Sl. No.		-
2.	Name of the subsidiary	Daurala Foods & Beverages Pvt. Ltd.	
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period		N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.		N.A.
5.	Share capital		750
6.	Reserves & surplus		152.11
7.	Total assets		902.79
8.	Total Liabilities		902.79
9.	Investments		-
10.	Turnover		92.13
11.	Profit before taxation		88.47
12.	Provision for taxation		28.11
13.	Profit after taxation		60.36
14.	Proposed Dividend		-
15.	% of shareholding		99.99%

Part "B": Associates and Joint Ventures

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

(Rs./lacs)

Name of Associates /Joint Ventures	DCM Hyundai Ltd.
1. Latest audited Balance Sheet Date	March 31, 2015
2. Shares of Associate/Joint Ventures held by the company on the year end:	
- No.	19,72,000
- Amount of Investment in Associates/Joint Venture	166
- Extent of Holding %	49.28%
3. Description of how there is significant influence	Holding more than 20% Equity Share Capital
4. Reason why the associate/joint venture is not consolidated	N.A.
5. Networth attributable to Shareholding as per latest audited Balance Sheet	920.04
6. Profit / Loss for the year	
- Considered in Consolidation	170.60
- Not Considered in Consolidation	175.57

For and on behalf of the Board



B.P. Khandelwal
President
N.K. Jain
Chief Financial Officer
Y.D. Gupta
Sr. General Manager &
Company Secretary

Shri Tilak Dhar
Chairman & Managing Director
Shri Alok B. Shriram
Dy. Managing Director



Shri K.N. Rao
Shri P.R. Khanna
Shri S.B. Mathur
Shri Ravinder Narain
Shri S.C. Kumar
Shri C. Vikas Rao
Smt. Kavitha Dutt Chitturi
Directors

Place : New Delhi
Date : 29.5.2015

FORM A
Format of covering letter of the annual audit report to be filed with the stock exchanges
(Pursuant to Clause 31(a) of the Listing Agreement)



Sr. No	Particulars	Details
1.	Name of the Company	DCM Shriram Industries Limited
2.	Annual standalone financial statements for the year ended	31 st March, 2015
3.	Type of Audit observation	<p><u>Emphasis of Matter paragraph:</u></p> <p>Attention is invited to note 45 which sets out the position regarding sugarcane subsidy aggregating Rs. 3277.93 lacs accounted by the Company in these financial statements. As indicated in this note, necessary adjustments would be made on final determination of the amount of subsidy.</p> <p>Our opinion is not modified in respect of this matter.</p> <p><u>Note No. 45:</u></p> <p>The Government of Uttar Pradesh has announced subsidy on sugar cane purchased during the sugar season 2014-15 linked to average selling price of sugar and its by-products during the period 1st October, 2014 to 31st May, 2015 to be finalised by a Committee to be constituted by the Government of Uttar Pradesh. Based on prevailing and expected prices the Company is confident of realising the full subsidy of Rs. 28.60 per qtl. aggregating to Rs. 3972.41 lacs. Pending final determination of the amount of subsidy, the company has on a conservative basis accounted for Rs. 3277.93 lacs in the Statement of Profit & Loss for the year by adjustment of raw material consumption in note 23. Necessary adjustments would be made on final determination of the amount of subsidy.</p>
4.	Frequency of observation	First Year
5.	To be signed by-	
	<ul style="list-style-type: none"> • Chairman & Managing Director 	 (Tilak Dhar)
	<ul style="list-style-type: none"> • Chief Financial Officer 	 (N.K. Jain)




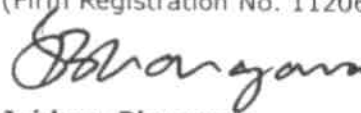
	<ul style="list-style-type: none"><li data-bbox="386 345 773 373">• Audit Committee Chairman <li data-bbox="386 554 743 583">• Auditor of the Company	 <p data-bbox="1057 345 1256 373">(P.R. Khanna)</p> <p data-bbox="878 377 1455 476">Refer our Audit Report dated May 29, 2015 on the standalone financial statements of the Company</p> <p data-bbox="878 504 1300 602">For A.F. Ferguson & Co. Chartered Accountants (Firm Registration No. 112066W)</p>  <p data-bbox="878 810 1252 941">Jaideep Bhargava (Partner) (Membership No. 090295) NEW DELHI, May 29, 2015</p>
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FORM A
Format of covering letter of the annual audit report to be filed with the stock exchanges
(Pursuant to Clause 31(a) of the Listing Agreement)

Sr. No	Particulars	Details
1.	Name of the Company	DCM Shriram Industries Limited
2.	Annual consolidated financial statements for the year ended	31 st March, 2015
3.	Type of Audit observation	<p><u>Emphasis of Matter paragraph:</u></p> <p>Attention is invited to note 45 which sets out the position regarding sugarcane subsidy aggregating Rs. 3277.93 lacs accounted by the Holding Company in these consolidated financial statements. As indicated in this note, necessary adjustments would be made on final determination of the amount of subsidy.</p> <p>Our opinion is not modified in respect of this matter.</p> <p><u>Note No. 45:</u></p> <p>The Government of Uttar Pradesh has announced subsidy on sugar cane purchased during the sugar season 2014-15 linked to average selling price of sugar and its by-products during the period 1st October, 2014 to 31st May, 2015 to be finalised by a Committee to be constituted by the Government of Uttar Pradesh. Based on prevailing and expected prices the Company is confident of realising the full subsidy of Rs. 28.10 per qt. aggregating Rs. 3972.41 lacs. Pending final determination of the amount of subsidy, the company has on a conservative basis accounted for Rs. 3277.93 lacs in the Statement of Profit & Loss for the year by adjustment of raw material consumption in note 25. Necessary adjustments would be made on final determination of the amount of subsidy.</p>
4.	Frequency of observation	First Year
5.	To be signed by-	
	<ul style="list-style-type: none"> • Chairman & Managing Director 	 (Tilak Dhar)
	<ul style="list-style-type: none"> • Chief Financial Officer 	 (N.K. Jain)



	<ul style="list-style-type: none">• Audit Committee Chairman • Auditor of the Company	 <p>(P.R. Khanna)</p> <p>Refer our Audit Report dated May 29, 2015 on the consolidated financial statements of the Company</p> <p>For A.F. Ferguson & Co. Chartered Accountants (Firm Registration No. 112066W)</p>  <p>Jaideep Bhargava (Partner) (Membership No. 090295) NEW DELHI, May 29, 2015</p>
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