



DCM SHRIRAM

Growing with trust

DCM SHRIRAM LTD.

Contents

Page 1	Corporate Information
2	Chairman's and Vice Chairman's Statement
4	Our Businesses
6	Financial Highlights
7	Core Values
8	Brief Profile of Directors of the Company
9	Senior Executive Team
10	Management Discussion and Analysis
21	Board's Report
47	Corporate Social Responsibility
49	Corporate Governance Report
58	Financial Statements
116	Notice

Corporate Information

Registered Office

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

Bankers

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

Statutory Auditors

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

Cost Auditors

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

Board of Directors

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

Company Secretary

Shri Sameet Gambhir

Audit Committee

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

Stock Exchanges where the Securities of the Company are Listed

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

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

(It is confirmed that annual listing fee for the financial year 2016-17 has been paid by the Company to the above Stock Exchanges.)



Dear Friends,

We are glad to report a steady improvement in the company's financial performance for the year 2015-16. This has been possible through a combination of favourable market conditions and improved internal efficiencies.

Commodity prices in both Chemicals and Sugar businesses edged up to reflect their true cost of production. Realistic and proactive government policies ensured that the Sugar Industry's health was restored and all segments in its value chain benefited. Consistent policies in the future are key to the long term growth of this industry. Given that both sugar and chemicals are traded freely across the world, cost competitiveness continues to be a focus area for us; and therefore our effort is to consistently be the least cost producer.

The Agri Inputs business – Fertilizers, Bioseed and Shriram

Farm Solutions – were adversely affected due to unfavorable weather conditions for the second year in succession. Business swings were minimized through rigorous planning and limiting exposure to high inventory. It is hoped that the 2016 monsoon would be favourable as predicted; it will raise the growth prospects for the agri-input industry as well as improve farmer incomes. We continue to focus on strengthening our product offering led by strong in-house research and market development activities to achieve high growth in these businesses.

We are happy to report that our Fenesta Windows business achieved PBT breakeven during the year. We are focusing on strong customer engagement and product innovation to drive volume growth in this business.

We are undertaking a total capital investment of Rs.725 Crores in Chemical and Sugar businesses for long term growth and improvement in cost structures. Chemicals business will see substantial enhancement in capacity which will contribute to increasing both the top and bottom line. In Sugar, co-gen capacity is being added for improving business viability. All the projects will be fully commissioned in during the second half of the 2016-17.

A large part of the Capex is being financed through internal cash accruals and debt levels have been kept at prudent levels. With efficient cash management it has been possible to lower finance charges by approximately 20% as compared to last year.

During the year the company successfully implemented the State of Art business operation software, S4/HANA. This is the latest platform launched by SAP worldwide and it will provide a competitive edge across all businesses.

Our employees are our biggest resources and we continue to invest to further improve their competencies. The Company's endeavor has always been to foster an environment which promotes innovation, learning and development, which will lead to growth of the company and employees.

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

As a responsible corporate citizen, we are conscious of the need to give back to society. We are actively engaged in several initiatives in this direction with particular emphasis on education, water conservation, skill development and improving rural incomes.

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

With best wishes,



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



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

Our Businesses

1. Chloro-Vinyl Businesses:

- i. **Chlor- Alkali:** DCM Shriram's Chlor-Alkali (Chemicals) business comprises Caustic Soda (Lye and flakes), Chlorine and associated chemicals including Hydrochloric acid, Stable Bleaching powder, Compressed Hydrogen and Sodium Hypochlorite.

The Company has two manufacturing facilities located at Kota (Rajasthan) and Bharuch (Gujarat) with full coal based captive power. The company's total caustic soda capacity is 780 TPD.

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

- 2. **Sugar:** This business comprises 4 plants in Central U.P. with a total capacity of 33,000 TCD. The business is supported by a Co-gen power capacity of 94.5 MW.

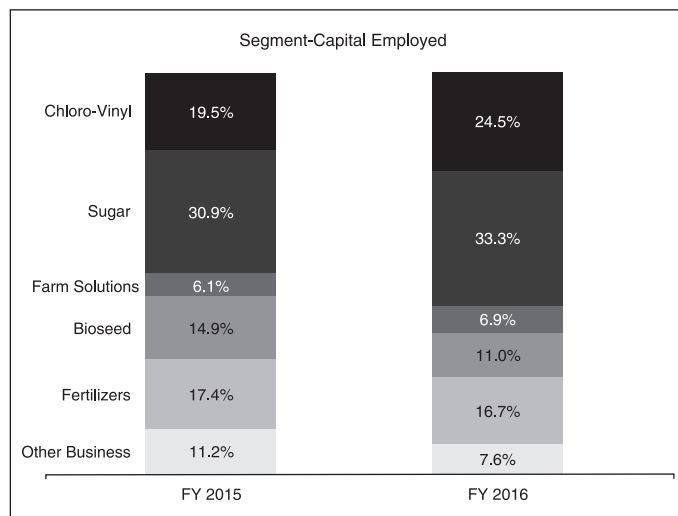
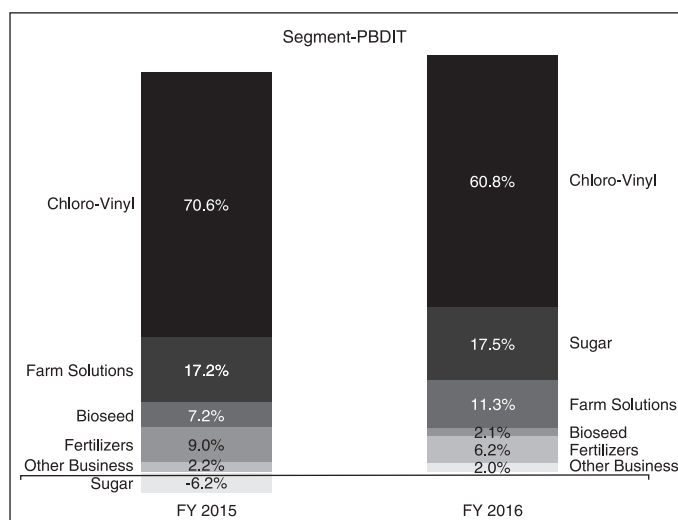
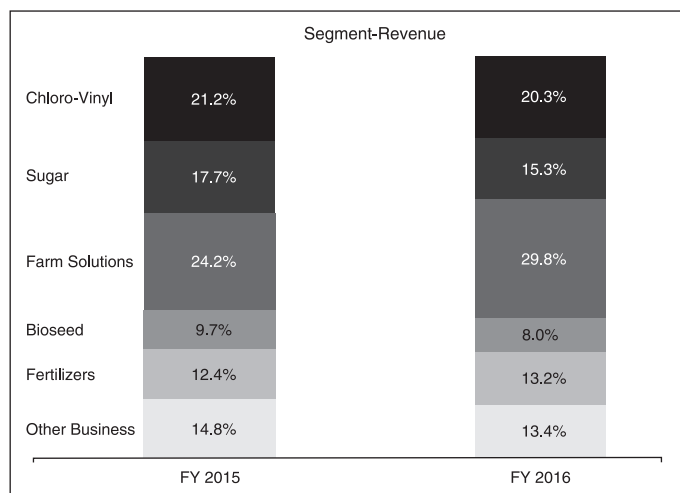
3. Agri-Input Businesses:

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

4. Other Businesses

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

Business Mix



Financial Highlights

Rs.Crores										
Financial Highlights										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gross Sales										
- Own Products	2116.7	2407.1	2891.9	2682.3	2683.4	3409.6	4087.0	4444.3	4157.2	4036.4
- Traded	821.5	363.0	789.5	947.7	1595.74	1794.1	1683.2	1986.9	1693.2	2014.6
Total Gross Sales	2938.2	2770.1	3681.4	3630.0	4279.14	5203.6	5770.2	6431.2	5850.4	6051.0
Net Sales	2767.4	2573.9	3500.8	3519.2	4134.5	5006.2	5516.9	6159.0	5606.3	5794.8
PBDIT	239.6	218.0	400.3	367.6	231.9	364.8	574.1	558.9	450.3	543.6
Finance Cost	79.1	87.6	150.4	88.6	103.9	160.3	154.8	148.6	111.8	85.8
PBDT	160.5	130.4	249.9	279.0	128.0	204.5	419.2	410.3	338.6	457.8
Depreciation & Amortisation	93.4	123.7	148.7	163.0	160.0	156.9	146.8	137.9	110.2	98.6
PBT	67.1	6.7	101.1	116.1	-32.0	47.6	272.5	272.4	228.4	359.1
Exceptional Items		779.6		6.5		-38.1	-53.6			
Profit After Tax*	43.4	-1.3	122.6	84.3	-14.3	11.9	202.9	242.4	210.8	297.2
Cash Profit**	160.2	126.6	241.9	267.8	125.5	202.9	406.3	360.4	318.8	393.0
Share Capital - Equity	33.3	33.3	33.3	33.3	33.3	33.3	33.3	32.8	32.6	32.6
Net Worth	554.1	1149.3	1268.5	1329.6	1306.4	1315.2	1495.4	1686.6	1858.5	2095.6
Deferred Tax liability	170.1	171.2	143.9	176.3	156.1	152.1	155.1	135.2	122.0	119.2
Long Term Loans	789.5	991.0	1234.4	1090.0	919.6	965.7	836.7	746.4	421.0	338.3
Short Term Loans	757.7	792.5	752.7	370.9	771.6	852.7	720.4	430.9	338.9	729.5
Total Loans (Gross)	1547.2	1783.4	1987.1	1460.9	1691.3	1818.4	1557.1	1177.3	759.8	1067.9
Total Loans (Net)	1547.2	1755.6	1943.1	1503.1	1685.0	1571.3	1435.9	683.1	688.3	1057.4
Total Assets	3191.1	3634.3	4042.7	3654.2	3885.9	4628.6	4751.2	4852.3	4416.7	5141.2
Earnings per share (Rs.) ***	2.6	-0.1	7.4	5.1	-0.9	2.6	15.3	14.6	13.0	18.3
Dividend per share (Rs.)***	0.8	3.3	0.8	0.8	0.4	0.4	1.6	2.0	2.2	3.2
Ratios										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Return on Net Worth (%)	8.0	-	10.1	6.5	-	0.9	14.4	15.2	11.9	15.0
Operating Margin (%)	8.7	8.5	11.4	10.4	5.6	7.3	10.4	9.1	8.0	9.4
PAT to Net Sales (%)	1.6	-	3.5	2.4	-	0.2	3.7	3.9	3.8	5.1
Total Loans (Gross) / PBDIT	6.5	8.2	5.0	4.0	7.3	5.0	2.7	2.1	1.7	2.0
Total Loans (Gross) / Net Worth	2.8	1.6	1.6	1.1	1.3	1.4	1.0	0.7	0.4	0.5

- Figures are based on consolidated financials.
- * Profit for the year 2008 is before exceptional items.
- ** Cash Profits are before exceptional items.
- *** On face value of Rs.2 per share

Our Core Values and Beliefs

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

Agility & Execution

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

Deliver Value

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

Openness & Learning

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

Respect & Human Dignity

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

Governance & responsibility

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

Brief Profile of the Directors of the Company

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

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

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

Shri K.K. Kaul, Whole Time Director (DIN 00980318), is a Director of the Company since 2.7.2014. He joined the Company in 1980 as Asst. Plant Superintendent. He is a First class First (Honors) graduate in Chemical Engineering and has been awarded Doctorate Degree in Human Letters (Honorus Causa) by Vardhaman Mahavir Open University, Kota. He has done an integrated Management Development course at Administrative Staff College, Hyderabad in the year 1989-90 and the Executive Programme in 2000 from Darden Graduate School of Business Administration, University of Virginia, USA.

Dr. N.J. Singh, Whole Time Director (EHS) (DIN 01893202), is a Director of the Company since 20.11.2007. He joined the Company in 1983 as Pollution Control Engineer. He holds M.Sc., Ph.D. degrees and had worked as DGM (Tech. Services), General Manager (EHS) with the Company at Kota and Chief Executive, Shriram Environment & Allied Service at Gurgaon. He is also the Occupier of the factories of the Company.

Dr. S.S. Bajjal is a Non-Executive Independent Director (DIN 00027961) of the Company. He is on the Board of the Company since 22.5.1990. He retired as the Chairman of ICI Group Companies in India in 1987. He holds B.Sc., M.Sc., D.Phil Degrees. He is the Chairman of the Board Audit Committee and Nomination, Remuneration & Compensation Committee and the Member of Stakeholders Relationship Committee and Board Finance Committee of the Company.

Shri Arun Bharat Ram is a Non-Executive Independent Director (DIN 00694766) of the Company. He is on the Board of the Company since 22.5.1990. He is the Chairman of SRF Ltd. and Essilor India Pvt. Ltd. He graduated in Industrial Engineering from the University of Michigan, U.S.A. He has been the President of Confederation of Indian Industry (CII). He is the Member of Board Audit Committee of the Company.

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

Shri Vimal Bhandari is a Non-Executive Independent Director (DIN 00001318) of the Company. He is on the Board of the Company since 13.5.2003. He graduated in Commerce from Sydenham College, University of Mumbai and is a Member of The Institute of Chartered Accountants of India. He is currently serving as Managing Director & CEO of Indostar Capital Finance Ltd., a non banking finance company focussed on structured transactions in the wholesale segment.

Shri Sunil Kant Munjal is a Non-Executive Independent Director (DIN 00003902) of the Company. He is on the Board of the Company since 13.5.2003. After his graduation, he underwent training in the field of Mechanical Engineering. Presently, he is the Joint Managing Director of Hero MotoCorp Ltd. and the Chairman of Hero Corporate Service Pvt. Ltd. He has been the President of Confederation of Indian Industry (CII) and the Member of Prime Minister's Council on Trade & Industry. He has been conferred the 'Doctorate of Literature' by SRM University, Chennai. He is the Member of Corporate Social Responsibility Committee of the Company.

Shri D. Sengupta is a Non-Executive Independent Director (DIN 00043289) of the Company. He is on the Board of the Company since 11.8.2003. After graduating in science, he worked in non-life and re-insurance industry for 39 years and retired as Chairman of General Insurance Corporation of India in June 2002. In between he was the Chairman cum Managing Director of New India Assurance Co. Ltd. He was non-executive Director in various Indian and international firms and has wide experience in risk management. He also was instrumental in market expansion both in India and abroad. He is a Member of the Board Audit Committee, Nomination, Remuneration & Compensation Committee and Board Finance Committee of the Company.

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

Shri Sharad Shrivastva, a nominee of Life Insurance Corporation of India (LIC), is a Non-Executive Director (DIN 01271854) of the Company. He is on the Board of the Company since 2.7.2014. He is B.A. from Allahabad University & Associate Member of Insurance Institute of India - Mumbai. He joined LIC on 4.4.1983 and has worked in various branches/Divisional Offices/LIC HFL/Insurance Institute of India/Zonal Manager(I/C) since then.

Senior Executive Team

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

Shri Ajay S. Shriram

Chairman & Senior Managing Director

Shri Vikram S. Shriram

Vice Chairman & Managing Director

Shri Ajit S. Shriram

Joint Managing Director

Shri K.K. Kaul

Whole Time Director

Dr. N.J. Singh

Whole Time Director (EHS)

Shri A.K. Awasthi

Chief Executive – Hydro Business

Shri Sovan Chakrabarty

Executive Director – Shriram Farm Solutions

Shri J.K. Jain

Executive Director & CFO

Shri M. Muthujothi

Executive Director – Sugar Business

Shri Anil Kumar

Executive Director – Chemicals Business

Dr. Sharad Sharma

President – Bioseed South Asia

Dr. Paresh Verma

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

Shri Rajesh Gupta

President & Head – Corporate Strategy

Shri Sushil Baveja

President & Head – Corporate HR

Shri Premdas Satsangi

President & Business Head – Plastics & Power

Shri Aditya A. Shriram

President – Chemicals Business

Shri Saket Jain

Business Head – Fenesta™ Building Systems

Shri Vinoo Mehta

Senior Vice President and Business Head – Cement

Shri B.B. Gupta

Head – Internal Audit & Risk Management

Shri Ankush Kaura

Chief Information Officer

Shri Sameet Gambhir

Company Secretary

Subsidiaries

Shri J.V. Ratnam

Country Head – Bioseed Vietnam Ltd.

Shri Devadatta Sirdeshpande

Country Head – Bioseed Research Philippines Inc.

Shri Joseph Abraham Anand

Country Head – PT. Shriram Seed, Indonesia

Joint Venture

Shri Rajiv Arora

President & Business Head – Shriram Axiall Pvt. Ltd.

Management Discussion and Analysis

Performance Review

The Company delivered a strong financial and operating performance during the year. Chemicals business' performance improved led by better margins and volumes. Sugar business witnessed better margins with higher sugar recovery and firming up of sugar prices during the second half of the year. Fenesta business' earnings improved on robust growth in sales volumes during the year. Performance of the Agri-input businesses faced challenges on account of deficient monsoons impacting demand and margins of our Hybrid seeds, Agro Chemicals and bulk Fertilizer offerings.

1. Net Revenues increased by 4% to Rs.5,841 Crores
 - **Shriram Farm Solutions:** FY 16 revenues increased by 27% YoY to Rs.1,798 Crores. The rise in business' revenue was driven by higher sales volumes of bulk fertilizers during the year.
 - **Fertilizer:** Revenue increased by 10% YoY to Rs 798 Crores primarily due to higher realizations, a result of the rise in gas prices, which is a pass through.
 - **Sugar:** Revenue during FY 16 declined by 11% YoY to Rs.924 Crores due to lower volumes and a 11% fall in average realizations vis-a-vis last year.
 - **Bioseed:** Revenue during the year declined 15%, to Rs 485 Crores vs. Rs.570 Crores last year on lower sales volumes, as challenging Agri scenario in India and international markets impacted off-take of Hybrid seed offerings.
2. Profit before depreciation, interest and tax increased to Rs 544 Crores in FY 16, up 21% over previous year.
 - **Chloro-Vinyl:** PBDIT improved by 9% YoY to Rs.392 Crores on higher realizations in the Chlor Alkali business and overall decline in input costs.
 - **Sugar:** Sugar business' PBDIT improved to Rs 113 Crores vs. -ve Rs 31 Crores last year due to lower costs led by better recoveries, better

prices in Q4 leading to lower inventory losses vis-a-vis last year and sugarcane subsidy for the previous season received during the year.

Growth in Company's earnings driven by the above businesses was moderated by the lower performance of Agri-input businesses:

- **Bioseed and Shriram Farm solutions:** PBDIT in FY 16 stood lower as El-nino impact led to adverse agro-climatic conditions resulting in lower sales volumes and margins leading to lower earnings during the year.
 - **Fertilizer (Urea):** PBDIT in FY 16 declined primarily due to the tightening in the energy efficiency norms under the New Urea Policy.
3. **Finance Costs** – Finance costs during FY 16 declined by 23% to Rs.86 Crores.
 4. Net Profit increased to Rs.297 Crores, up 41% YoY
 5. Net Debt stood at Rs 1,057 Crores as on March 31, 2016 vs. Rs 688 Crores as on March 31, 2015. The Company's balance sheet remains strong with a capital gearing ratio of 0.5 as on March 31, 2016.
 6. The Board of directors have recommended a total dividend of 160% for FY 16 as compared to 110% in previous year
 7. Credit rating of company's Long term debt was upgraded to [ICRA]AA- from [ICRA]A+ in Q4 FY 16. Rating for Short term debt was affirmed at [ICRA]A1+

Business – Wise Performance Review and Outlook

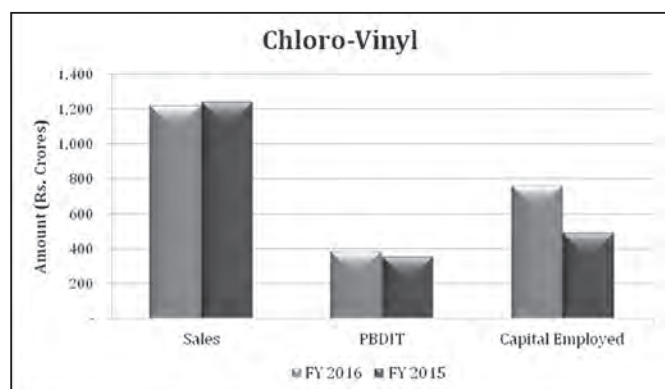
Chloro – Vinyl Businesses

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

Business Performance

The Revenue, PBDIT and Capital employed for this business for FY 16 is as follows:

Particulars	FY 16 (Rs/Crores)	FY 15 (Rs/Crores)
Sales	1,221.8	1,242.3
PBDIT	392.1	359.2
Capital employed	762.0	495.0



- Chloro-Vinyl segment's revenue stood at Rs.1,222 Crores as compared with Rs.1,242 Crores in FY 15; This decline in revenues during the year was due to lower PVC volumes and realizations. Higher realizations and volumes in Chlor Alkali business limited the decline in revenues during the year.
- The Chloro-Vinyl business' earnings benefited from higher Chlor-Alkali revenue and lower cost of key input materials such as salt, limestone and carbon material. However, higher power cost at the Kota facility driven by various duties and levies on Coal and power generation by central and state government, moderated the earnings growth during the period.
- Increase in Chloro-Vinyl's capital employed was on account of the undergoing capital expansion at the Bharuch plant

Chlor-Alkali

Chlor-Alkali (Chemicals) industry has Caustic Soda and Chlorine as the two Co-Products that are produced in the ratio of 1:0.88. Caustic soda is used in Alumina, Paper, Textiles, Detergents, Pharmaceutical industries etc. whereas Chlorine is used in polymers, Dyes and inks, Crop care chemicals, HCL, water treatment etc. The prices of key product Caustic soda are influenced by international prices as well as domestic demand

supply factors. The growth of this business is highly correlated to the growth of GDP in the country.

The company operates manufacturing facilities at Kota (Rajasthan) and Bharuch (Gujarat) with an aggregate capacity of 780 TPD, which places it among top three players in the domestic Chlor-Alkali Industry. Power is the key component of cost, hence to be able to influence cost of production, both of our manufacturing facilities have full access to 100% captive power based on Coal. While the Kota unit is based on domestic Coal, the Bharuch plant imports its Coal requirements.

Business Performance

The Revenue, PBDIT and Capital employed for this business for FY 16 along with the quantitative data is as follows:

Particulars	FY 16 (Rs/Crores)	FY 15 (Rs/Crores)
Sales	728.8	683.4
PBDIT	275.2	207.4
Capital employed	632.4	367.2

Year	Sales (MT)	Realizations (Rs./MT)
FY 16	2,63,638	24,911
FY 15	2,60,590	23,681
% Change	1.2	5.2

Operations at both, Kota and Bharuch facilities continued to deliver optimally driven by higher production with improving cost efficiencies. Chlor Alkali revenue increased by 7% YoY in FY 16, mainly on account of the 5% increase in realizations during the year. Realizations remained stable during April-Dec 2015 and improved significantly in the fourth quarter. PBDIT stood higher by 33% YoY in FY 16 due to higher realizations and overall lower cost of key input materials. Cost of power, however stood higher at the Kota plant due to duties and levies on coal and power generation.

Industry Overview and Outlook

The Chlor-Alkali industry in India has 35 operating units with a combined installed capacity of 3.5 million TPA of Caustic Soda. The top three players comprise about 45% of the total installed capacity. The domestic demand for Caustic Soda and Chlorine in 2015-16 is estimated at about 3.4 million TPA and 2.7 million TPA respectively. The growth in demand for Caustic soda and Chlorine is linked to GDP growth.

Our Strategy

The Company had embarked upon a major expansion drive to take the total capacity of the Company from 780 TPD to about 1,285 TPD. In addition to this, the company has also undertaken a technology up gradation project at both Kota and Bharuch plants that will lead to substantial improvement in energy efficiencies. The total capital expenditure on these projects is Rs.607 crore. These projects are progressing as per schedule and will be fully operational in phases by September / October 2016. The Company continues to lay strong emphasis on further improving cost structures at both its manufacturing units as well as exploring opportunities in downstream products.

Plastics

The business is involved in the manufacturing of PVC Resins and Calcium Carbide. The Plastics business is an integral part of the Chloro-Vinyl manufacturing facility at Kota with integration in terms of Captive Power, Chlorine and Calcium Carbide. The Company manufactures PVC Resin through the Calcium Carbide route as against the Ethylene route which is being followed by most of the companies worldwide except in China. The Calcium Carbide manufactured by the company is partly sold and partly used for the manufacture of PVC Resins. Almost 50% of the country's demand is met by imports, hence the prices are sensitive to international prices of product as well as crude oil.

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

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

Business Performance

The Revenue, PBDIT and Capital employed for this

business for FY 16 along with the quantitative data is as follows:

Particulars	FY 16 (Rs/Crores)	FY 15 (Rs/Crores)
Sales	493.0	558.8
PBDIT	116.8	151.8
Capital employed	129.7	127.8

	PVC Resins		Carbide	
Year	Sales (MT)	Realizations (Rs./MT)	Sales (MT)	Realizations (Rs./MT)
FY 16	58,244	64,941	22,701	43,180
FY 15	62,789	70,460	22,431	42,580
% Change	(7.2)	(7.8)	1.2	1.4

Plastic business' revenue declined to Rs 493 Crores from Rs 559 Crores in FY 15 due to lower PVC volumes and realizations during the year.

Business' earnings were impacted by lower volumes; fall in realizations and higher power costs. The business undertook several initiatives during the year towards cost reduction such as use of cheaper carbon mix, reduction in power consumption and better maintenance practices. These initiatives along with lower input costs of raw materials such as carbon material and limestone partly mitigated the adverse impact of lower PVC realizations and volumes as well as higher power costs on business' earnings.

Industry Overview & Outlook

India's PVC resin industry's capacity currently stands at around 1.4 million Metric Ton per annum (MTPA). As against this, domestic demand has been growing steadily and has reached ~2.7 MTPA in FY 16, up 10% over last year. The gap in demand and supply is being met by the import of PVC resin in India. The continued focus of the Govt. on building infrastructure as envisaged in the 12th Five Year Plan – development of smart cities, rural housing and Agri-asset creation, rapid urbanization and other initiatives like investments in rural sanitation is expected to fuel growth of the PVC industry in India over the next few years.

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

Our Strategy

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

Sugar

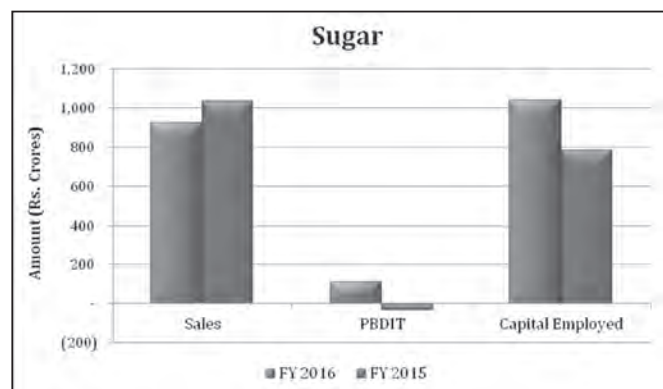
DCM Shriram is a major player in the domestic sugar industry based out of the State of Uttar Pradesh. The company operates four sugar units located in central U.P at Ajbapur (10,500 TCD), Rupapur (6,500 TCD), Hariawan (8,000 TCD) and Loni (8,000 TCD) with a total crushing capacity of 33,000 TCD. These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

Business Performance

The Revenue, PBDIT and Capital Employed for this business for FY 16 along with the quantitative data is as follows:

Particulars	FY 16 (Rs/Crores)	FY 15 (Rs/Crores)
Sales	923.8	1,037.1
PBDIT	113.1	(31.5)
Capital employed	1038.1	784.9

Year	Sales (Lac Quintals)	Realizations (Rs./Qtl)
FY 16	28.2	2,638
FY 15	29.2	2,967
% Shift	(3.2)	(11.1)



Particulars	Unit of Measurement	2015-16	2014-15
Sugar Season			
Cane Crushed	Lac Quintals	282	299
Recovery Rate	%	11.11	9.90
Sugar Produced	Lac Quintals	31.3	29.6
Financial Year			
Cane Crushed	Lac Quintals	292	314
Recovery Rate	%	11.13	9.99
Sugar Produced	Lac Quintals	32.5	31.4

- Cane crush during SS 2015-16 stood lower at 282 lac Qtls, vs. 299 lac Qtls in the previous season. This was on account of lower sugarcane yield in the region.
- During the SS 2015-16, sugar recovery was up by 1.2 percentage points as compared to last season. Recovery improvement was a result of favourable agro climatic conditions & intensified efforts towards improving cane quantity and quality. The business is focused on further improving cane quantity and quality in sugar season 2016-17.
- Revenues at Rs.924 Crores were down by 11% on account of lower volumes and a 11% YoY decline in average realizations during the year.
- PBDIT stood at Rs.113 Crores vs. -ve PBDIT of 31 Crores in FY 15. Steady improvement in realizations in Q4 FY 16, higher recoveries, lower inventory write downs, and cash cane subsidy for SS 2014-15 received from the UP State Govt. in FY 16 led to earnings improvement during the year.
- Increase in capital employed during the year was on account of increase in closing stock quantity as well as valuation at the end of FY 16 vs. last year.

Industry Overview and Outlook

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

Indian Sugar Industry is highly fragmented with private sector, Government undertakings, Co-operatives, and unorganized players. Unorganized players are mainly

involved in production of Gur and Khandsari, the less refined form of sugar. The crushing period varies from region to region beginning in October/ November and goes on till April/ May in all states except in southern states like Tamil Nadu, Andhra Pradesh where it continues till July/ August.

Globally, sugar prices are trading at almost 3 years high levels, which is a big respite for the entire industry. For the last 5 years high levels of inventory in the market led to lower sugar prices that adversely affected the financial viability of the sugar companies. The recovery in sugar prices is in anticipation of expected global deficit of 4-5 million Ton in 2015-16 season, a result of lower production in India, Thailand, north east Brazil and European Union. 2016-17 sugar season is also expected to be sugar deficit season and cane production in Brazil and its diversion for sugar or ethanol production will be key factors impacting overall deficit in 2016-17.

Domestically sugar season 2015-16 witnessed huge volatility wherein sugar prices revived to around Rs 3,400/Qtl levels after touching 5 year low of ~ 2200/Qtl. This has been possible with the Central Govt's exports push policy that enabled exports of about 1.5 million Ton of sugar in Sugar Season 2015-16 and decline in sugar production to just over 25 million Ton from 28.3 million Ton in last season. The majority of the decline in India production was driven by ~20% fall in production to 8.4 million MT in Maharashtra due to draught during the year.

Last year, both Central Govt. as well as State Govt. took several initiatives to support the domestic sugar industry. Some of the key measures undertaken were:

- Announcement of production linked subsidy of Rs.4.5/Qtl directly to cane farmers and stipulating minimum export quota for each sugar mill.
- Waive off of excise duty on ethanol for supply of Ethanol produced out of current year's molasses under Ethanol Blending Program. Increase in Ethanol Blending target to 10% from the 5% target earlier
- Rational Policy by the UP State Govt. – For Sugar Season 2015-16, the UP State Govt. retained the cane price at last season's price of Rs.280/Qtl. It also announced a cane subsidy of Rs.35/Qtl of which Rs.11.7/Qtl was in the form of remission of taxes / commission and the balance Rs.23.3/Qtl was linked to the average realization and recovery

of sugar and its by products during the season.

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

Our Strategy

The business continues its focus on improving productivity and quality of Sugarcane benefitting both farmers in terms of higher yields and mills in terms of better recoveries. This measure is being supported by dedicated cane development efforts focused at empowering and equipping our farmers with latest technologies and improved agronomy practices.

The business has embarked upon an up gradation and expansion project at Ajbapur unit for cogeneration power. The capex project is progressing as per plan and is expected to complete before start of Sugar Season 2016-17. The Company will continue to explore opportunities to add value in this business through better utilisation of by-products

Shriram Farm Solutions

Shriram Farm Solutions business strives to provide complete solutions to the farmer ranging from products as well as agronomy. The product portfolio includes Value added inputs such as Seeds (GM, Hybrid and OP), Crop Care Chemicals (Insecticide, Fungicide and Herbicide), Soluble Fertilizers, Micro-Nutrients etc and Bulk Fertilizers like DAP, MOP and SSP. The Company not only provides a wide range of quality inputs, but also customized solutions which include providing customized inputs and creating a package of practices which helps farmers in enhancing their productivity and profitability levels. The business is supported by a strong extension program called the SKVP (Shriram Krishi Vikas Program). This program, apart from being an Agronomy services platform providing latest technology and practices to the farmers and the Channel, also focuses on meeting its social responsibilities. The company lays strong emphasis on strengthening its customer interface which will help in capturing the evolving trends in Agriculture and leverage technology to enhance performance of the Business, the Channel and the Farmer. The business is supported by a strong distribution network spread across 17 states, reaching out to ~ 1.0 million farmers and ~ 35,000 retailers. The Company sells these Agri-Inputs under brand 'Shriram' which is known for quality and has a strong brand image within the farming community.

Business Performance

The Revenue, PBDIT and Capital employed for this business for FY16 are as follows:

Particulars	FY 16 (Rs/Crores)	FY 15 (Rs/Crores)
Sales	1798.3	1416.7
PBDIT	73.1	87.7
Capital employed	216.1	155.0



- Revenues in FY 16 increased to Rs.1,798 Crores, up from Rs.1,417 Crores last year. This was on account of higher sales volumes of bulk fertilizers during the year amounting to Rs.1,210 Crores in FY 16 Vs Rs.791 Crores last year. Revenue of the 'Value Added' inputs vertical stood 6% down YoY at Rs.589 Crores as a second consecutive year of drought in India adversely impacted off take of Seeds and Agrochemicals during the year.
- PBDIT for FY 16 was down by 17% YoY to Rs.73 Crores primarily due to lower margins in the bulk fertiliser vertical as well as Value added inputs vertical during the year.
- Higher subsidy outstanding as well as extended working capital cycle contributed to the rise in capital employed during the year.

Industry Overview and Outlook

2015-16 turned out to be another challenging year for the domestic Agri-inputs sector as distressed farmer economics, deficient South West monsoons and delayed start to the 2015 Rabi season adversely impacted off take of Agri-inputs in India. In 2015, the southwest monsoons stood 14% deficient vis-a-vis the long term period average. In 2014 as well there was a deficit of 12% in the Southwest monsoons. Kharif 2015 witnessed change in sowing patterns

as well reflected by the shift towards crops such as pulses and oil seeds. Late harvesting of Kharif crops and low reservoir levels led to delayed sowing in the Rabi 2015-16 season, which also impacted the sales volumes of Agri-inputs during the year.

As per Indian Meteorological Department, 2016 Southwest monsoons are expected to be above average on expected easing out of the El-Nino phenomenon. This is expected to lift sentiment and provide fillip to the demand for fertilizers and other Agri-inputs such as crop care chemicals, seeds and micro-nutrients. However, weak farmer economics can weigh down to a certain extent on the positive impact of anticipated normal monsoons this year. Over the medium term, the Agri-inputs sector in India is poised to witness strong growth given the macro factors such as population growth, rising per capita income that are leading to rapid rise in growing demand for food.

Our Strategy

The business has decided to rationalise its bulk fertilizer business as low and inconsistent margins in the business along with high subsidy outstanding lead to volatile earnings.

To ensure sustainable growth over the medium term, the business is strengthening its product portfolio, entering into new geographies, leveraging latest technology, strengthening the extension and market development program and is beefing up its supply chain network.

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

Bioseed

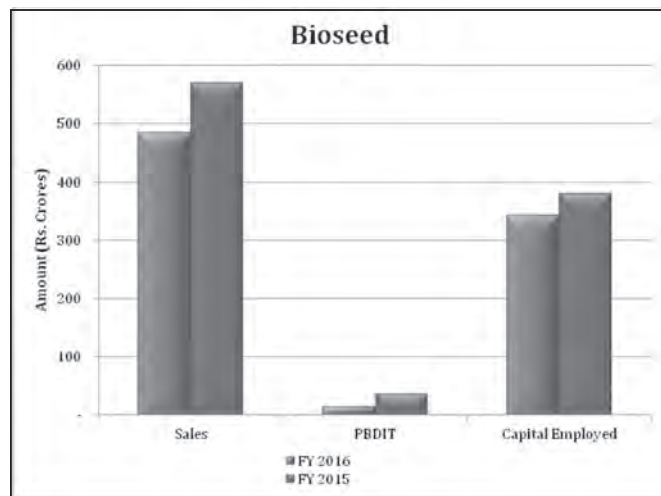
Bioseed business provides high quality hybrid seeds to help farmers improve their profitability and productivity. Bioseed has end to end integration with presence across Research, Production, Processing and Marketing. Business' product portfolio consists of both Field and Vegetable crops. In the Field crops, the business is present in Bt Cotton, Corn, Paddy, Bajra and Jowar. In the Vegetable crops, it is present in Tomato, Chillies, Okra, Brinjal, Gourds among others. In terms of Geographical presence, apart from being present in India (in both Field and Vegetable Crops), the company is also present in Corn in Philippines and Vietnam and has started commercial activities in Indonesia.

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

Business performance

The Revenue, PBDIT and Capital employed for this business for FY16 are as follows:

Particulars	FY 16 (Rs/Crores)	FY 15 (Rs/Crores)
Sales	484.5	570.3
PBDIT	13.5	36.8
Capital employed	342.7	380.0



Bioseed Revenues in FY 16 stood at Rs 485 Crores vs. Rs 570 Crores last year. This decline in revenue was driven by the adverse agro-climatic conditions in India and overseas for two successive years impacting sales volumes. The Indian operations witnessed a decline in revenue to Rs.432 Crores from Rs.479 Crores last

year, the international operations witnessed decline from Rs.91 Crores last year to Rs.53 Crores in FY 16. The year witnessed decline in sowing of cotton seed in India by ~8% that impacted offtake of our hybrid cotton seeds, especially in the Northern market. Lower volumes impacted the earnings as well as margins.

Our Strategy

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

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

International operations are going through tough times over last couple of years. We now expect that normal monsoons and new products introduced in the market should drive growth in the International operations, which is expected to take a couple of years to turnaround.

Fertilizer (Urea)

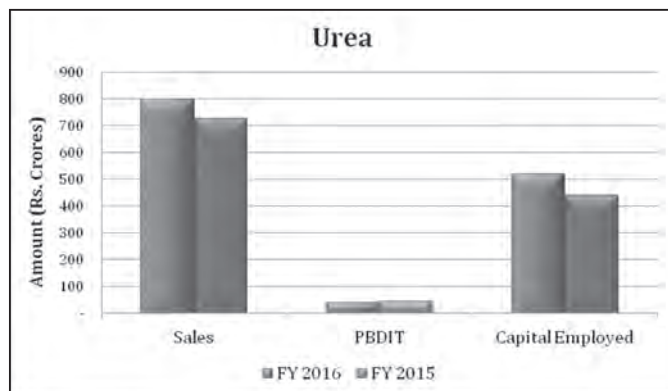
The company's Urea plant that operates at its integrated manufacturing complex at Kota, Rajasthan, is one of the oldest plants in the country with a reassessed capacity of 3,79,500 TPA of Urea. The company markets its products under the "Shriram Urea" brand, a trusted name that enjoys high brand equity amongst the farmers. The Company has an extensive distribution network over the entire Northern and Central India. The plant has been operating on Gas as feedstock since May 2009, post the conversion from Naphtha to LNG/Natural gas in 2006-07.

Business Performance

The Revenue, PBDIT and Capital employed for this business for FY16 along with the quantitative data is as follows:

Particulars	FY 16 (Rs/Crores)	FY 15 (Rs/Crores)
Sales	798.1	726.2
PBDIT	40.3	45.8
Capital employed	518.8	441.8

Year	Sales (MT)	Realizations (Rs./MT)
FY 16	3,99,834	19,891
FY 15	3,97,589	18,067
% Change	0.6	10.1



The business' production stood marginally up vis-a-vis last year. Revenue increase during FY 16 was on account of higher gas prices, which is a pass through. The increase in gas prices for the company was led by the Gas price pooling policy.

The business' earnings decline vis-a-vis last year was due to the tightening in energy norms under the New Urea Policy. The business' earnings continue to be weighed upon by the inadequate reimbursement of conversion costs and high levels of subsidy outstanding.

Industry Overview and Outlook

India is the second largest producer and consumer of Urea in the world. Urea is most preferred fertilizer and constitutes about 72% of entire fertilizer consumption in the country. Low farm gate price (fixed by government) and high nitrogen content has made it a preferred choice of farmers. The demand and consumption of Urea has been growing and the gap in demand/supply is currently being met by imports. During 2015-16, the total Urea production

in the country stood at ~ 24.5 million MT and India imported 8.5 Million MT of Urea to meet its demand.

In 2015, the New Urea Policy came into effect from 1st June 2015 till March 31, 2019. Under this policy, energy efficiency norms for all the fertilizer units were further tightened with an objective to encourage improvement in energy efficiency by domestic fertilizer manufactureRs.

From 1st July 2015, the Govt. of India implemented the Gas Pooling policy under which gas would be supplied at a uniform delivered price to all fertiliser plants on the gas grid for production of urea through a pooling mechanism. For Fertilizer units such as ours that have access to a higher percentage of domestic gas this change has resulted in higher gas cost and hence higher subsidy outstanding leading to increase in working capital requirements.

In 2015, the Govt. of India mandated 100% of all Fertilizer produced in India to be neem coated.

Our Strategy

The Company has been making continuous efforts towards reduction in energy consumption which has seen decline over the period as well as containment of fixed expenses.

Other Businesses

Fenesta Building Systems

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

Fenesta continues to enhance its product portfolio to meet customer needs. Strengthening of dealer network has resulted in enhanced presence in cities across India. The business has nine own showrooms across the larger cities in India. New dealer showrooms modelled on the lines of 'Signature Studios' are expected to enhance presence and customer experience. The Company while focused on 'Retail' Business to generate higher margins is also targeting the 'Projects' segment to provide profitable volumes growth.

Business Performance

During the year the business witnessed substantial improvement in performance with achievement of profitability at the PBT level as compared with loss last year. This was driven by a 21% YoY growth in overall sales volumes during the year. Sales volumes in FY 16 in 'Retail' and 'Projects' segment grew by 20% and 23%, respectively, over last year.

Our Strategy

In 'Retail', our strategy revolves around quality engagement with customers, influencers & business partners through structured programs. Our outreach programs have helped to improve the quality of engagement. We have put special focus on improving service quality and customer satisfaction this year.

In 'Projects' our focus continues to be on profitable execution. 'Projects' booking has improved significantly in the year. With the Launch of the new 'Project' Series, we expect it to keep improving in the year ahead.

The business is taking several steps in product innovation, capability building, capacity enhancement and enhancing productivity & efficiencies across all the business operations.

Cement

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

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

Business Performance

Revenues from the Cement business stood marginally higher at Rs 139 Crores vs. Rs 137 Crores last year led by volumes. Revenue increase during the year was moderated by realizations that were down 7% YoY. The business achieved PBDIT positive vs. a loss last year on account of higher revenue and improved cost efficiencies in FY 16.

Our strategy

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

PVC Compounds

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

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

Business Performance

In FY 16, the business's sales volumes went up by 16% vis-a-vis last year, with volumes of 'Wire & Cable' and 'Automotive' segments growing by 19% and 10%, respectively. During the year, the Company expanded its geographical reach in UAE and Egypt with higher penetration in the Western and Southern India markets. The Company is targeting to increase its volumes in these regions in FY 17.

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

Hariyali Kisaan Bazaar

The Company has limited its operations in this business to fuel retailing at the existing outlets. The Retail operations were rationalised in 2013.

The company is focused on the sale of remaining properties, which progressed slowly in FY 16 and is expected to take another 2-3 years.

Opportunities, Threats, Risks and Mitigants

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

Opportunities:

- The company has presence in three different verticals

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

Risk, Threats and Mitigants:

- Businesses such as Sugar, Fertiliser and some parts of Bioseed business are exposed to risk of regulatory intervention. Exposure to these businesses is kept at reasonable level. Further, we alongside with other industry participants and associates work with regulatory agencies on continuous basis to ensure a policy framework which benefits farmers (key stakeholder in all these businesses), consumers and industry.
- Substantial delay in payment of fertiliser subsidy bills by the Government increases the borrowings and hence the interest costs. The Company manages its working capital and tries to keep overall debt at low levels to enable handling such risks.
- Businesses like Chloro-vinyl are energy intensive. Rising energy costs as a result of rising domestic

coal prices, freight, duties and levies, increases the cost of production. We continuously work and invest in improving our technology, efficiencies, fuel mix and sourcing, to ensure that overall cost of production is competitive.

- Chemicals, Plastics, Cement and Sugar are commodity products, hence their prices are led by global commodity prices along with domestic demand and supply position. The Company focuses on being amongst the lowest cost producers in these businesses.
- iv. Compliance - Increasing regulatory enactments has brought in the need for additional compliances. With various statutes and regulations, non-compliance may not only lead to monetary penalties but also have an impact on the reputation of the organisation and the goodwill it enjoys. The risk is mitigated through regular monitoring and review of changes in the regulatory framework to ensure compliance with all the applicable statutes and regulations.

Internal Control Systems and their Adequacy

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

Human Resources and Industrial/Employee Relations

The Company through the year has been focused at building healthy employee relations, enhancing capabilities to drive performance and leading initiatives to create a vibrant culture and drive all round employee engagement. People Development has been a key agenda for the Organisation like every year because of its ability to impact business performance and outcomes. The commitment of the Organisation towards People gets reflected in the core values and beliefs of the Organisation and the various programs,

policies and practices that have got institutionalized over the years. All this has led to the building of an enabling ecosystem and ethos in the Company.

People Productivity and Optimisation

The focus on driving people productivity and optimization has been carried out on a sustained basis in the Organisation across all businesses and units. It is seen as very fundamental and key to building competitiveness of products and services at the market place. There have been awareness programs and initiatives in all the businesses around building efficiency, raising productivity standards, improving quality and reducing costs. Technology up gradation, systems improvement and process enhancements have been significant areas of contribution towards raising the overall standard of manufacturing and performance. There have been various small group activities, including cross functional teams, action learning projects, idea circles and suggestion schemes to engage with a larger cross section of employees to ideate opportunities of improving productivity, profitability and cost optimization in line with the best industry benchmarks and practices. The sustained focus on such programs over the years has led to the building of a culture where employees proactively take initiatives and drive improvement programs.

Capability Building

Capability building has been seen as a significant driver of driving business performance all through the years. During the year the company has continued to invest in building skills, knowledge and competencies of its people resources across all the levels in the various businesses. Employees have been through structured training and development programs, attended best in class conferences and seminars and have been through systematic learning programs on the job, projects and assignments as part of the overall up gradation of capabilities relevant to the businesses and Organisation. Competencies across the entire spectrum – technical, functional and behavioural – have been focused as part of the development programs. There has been special focus on building IT awareness and skills as part of LEAP, an IT BPR initiative, that seeks to impact all the business processes by migrating to the most contemporary S4Hana technology platform of SAP. The focus, like the previous years, has been also on talent and leadership development, mentoring and coaching programs based on specific developmental needs. The Company continues to encourage employees to get outside-in perspectives on an on-going basis by partnering with the best of

the external partners so that the bar of performance gets raised and employees continuously look forward to opportunities of introspection and improvement across all the processes.

HR Initiatives and Interventions

The Company has been taking various strategic initiatives with a view to impact the long-term work place culture and consequent business / organisational performance. The more focused initiatives have been around Talent & Leadership Development along with Succession Planning to build a talent pipeline for tomorrow, Technology enablement of the complete H2R process using Success Factors as a Solution on the latest SAP platform to build efficiency and enable better decision making, Balanced Scorecard to ensure a sharper focus on deliverables and outcomes and Learning Academy to introduce most contemporary interventions and programs. Process teams and CFTs have been formed to pursue various process improvements and introduce new initiatives like payroll outsourcing, travel outsourcing, compensation rationalization etc. There has been a substantial focus on Change Management to enable the smooth implementation and adoption of LEAP initiative. Like every year, the Company carried out an extensive diagnostic study to measure Employee Engagement, in partnership with Aon Hewitt, and develop suitable action plans to impact the various engagement drivers.

Employee / Industrial Relations

The relationship of the Company with its employees continues to be healthy and harmonious. The spirit of understanding, care and welfare has been sustained leading to mutual trust and faith. The general motivation and engagement level across various levels in the various businesses continues to be high, ensuring complete alignment of individual goals with those of the organizational goals and objectives. The Company has continued to build on its core values and beliefs of Respect and Dignity ensuring complete fairness and transparency. The ability to respond to the needs of the employees in a swift and proactive manner has led to a sense of belongingness amongst all employees and a family spirit.

The various initiatives undertaken from time to time and an authentic people philosophy of the Company has ensured that the workplace provided to the employees is vibrant, positive and enabling. It has ensured that the employees work with full commitment and zeal to give their best in achieving the organizational goals. The endeavour has been to see that employees take pride in their work and the Organisation.

Board's Report

The Directors have pleasure in presenting the 27th Annual Report of the Company along with Audited Financial Statements, both standalone and consolidated, for the year ended 31st March, 2016.

Financial Highlights

The results for the year ended 31.3.2016 and 31.3.2015 are as under:

Particulars	(Rs. in Crores)			
	Standalone		Consolidated	
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
Total revenue	5,787.51	5,556.73	5,879.78	5,690.76
Profit before depreciation, finance cost and tax	591.95	473.39	543.60	450.31
Depreciation	94.90	107.00	98.64	110.20
Finance cost	85.15	109.30	85.83	111.75
Profit before tax	411.90	257.09	359.13	228.36
Provision for taxation	61.64	15.16	61.91	17.56
Profit after tax	350.26	241.93	297.22	210.80
Balance brought forward from previous year	951.34	762.48	878.67	721.71
A. Net profit available for appropriation	1,301.60	993.49	1,175.89	920.82
Appropriations				
- Proposed dividends on equity shares (including Interim dividends)	51.97	35.73	51.97	35.73
- Corporate dividend tax	10.59	6.29	10.59	6.29
- Storage fund for molasses account	0.17	0.13	0.17	0.13
- General reserve	-	-	-	-
B. Total Appropriations	62.73	42.15	62.73	42.15
C. Balance carried forward (C = A - B)	1,238.87	951.34	1,113.16	878.67

State of Company's Affairs/Performance

The Company reported improved financial performance in FY 16 on account of improvement in sugar business' operating environment and robust performance of the chemicals business.

The Company's total revenues stood at Rs.5,880 Crores in FY 16 vs. Rs.5,691 Crores last year.

FY 16 EBITDA improved significantly to Rs.544 Crores from Rs.450 Crores last year. Improvement in earnings during the year was primarily due to profits in sugar business vs. losses last year, which was a result of better recoveries, cash cane subsidy for SS 2014-15 that was received and accounted this year and lower

inventory write downs vs. last year. Earnings growth in Chemicals business improved on better realizations and overall control on inputs costs.

Fenesta™ Business showed improvement in earnings as higher volumes led to the business turning PBT positive for the year.

Performance of the Company's Agri-input businesses - Shriram Farm Solutions and Bioseed, was impacted by the challenging domestic Agri scenario that led to lower volumes and margins during the year. Fertilizer business' earnings during the year declined due to the tightening in energy norms under the New Urea Policy, which came into effect from 1st June, 2015.

The Company's finance costs for the year stood lower at Rs.86 Crores vs. Rs.112 Crores last year. Net Debt increased to Rs.1,057 Crores vs. Rs.688 Crores last year. The increase in Net Debt was due to the ongoing expansion in Chlor Alkali and Sugar businesses and higher sugar inventory and subsidy receivables.

Net Profit for FY 16 was up by 41% to Rs.297 Crores from Rs.211 Crores in FY 15.

The Company's expansion projects in Chemicals and Sugar businesses are proceeding as per plan with full commissioning expected by September/October, 2016. In Q1 FY 17, a part of the new additional capacity at Bharuch plant was commissioned. These expansion projects would start contributing to the Company's growth from the second half of FY 17.

Sustained healthy performance by the Company led to upgrade in Q4 FY 16 in Long Term credit ratings to [ICRA] 'AA-' from earlier [ICRA] 'A+'. Company's Short Term rating was affirmed at [ICRA] 'A1+'.

Dividend

Your Directors are pleased to recommend a final dividend @ 40% i.e. Re.0.80 per equity share of Rs.2/- each for the year ended 31.3.2016. The total dividend for the financial year 2015-16 aggregates to 160% i.e. Rs.3.20 per equity share of Rs.2/- each (including two interim dividends @ 60%, i.e. Rs.1.20 per equity share each paid in November, 2015 and February, 2016 respectively).

Number of Meetings of the Board

The Board met 5 times during the financial year on 1.5.2015, 2.8.2015, 2.11.2015, 2.2.2016 and 5.2.2016.

Subsidiary/Associate/Joint Venture Companies

Details of Companies, which has become or ceased to be Subsidiary/Associate/Joint Venture (JV) during the year, are as follows:

- The Scheme of Amalgamation of Shriram Bioseeds Limited, Mauritius (SBLM) into Bioseeds Limited, Mauritius (BLM) was approved by the Hon'ble Supreme Court of Mauritius vide its Order dated 25th May, 2015. Consequently, SBLM merged into BLM w.e.f. 22nd April, 2015.
- Hariyali Services Limited, a wholly owned subsidiary of the Company, has made an application to the Registrar of Companies, NCT of Delhi and Haryana for striking off its name which is under process.

Report on Performance and Financial Position of Subsidiaries, Associate and JV Company

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

Risk Management Framework

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

Company's Policy on Directors' Appointment and Remuneration

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

Corporate Social Responsibility

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

Vigil Mechanism

The Company has established a Vigil Mechanism for Directors and Employees of the Company to Report genuine concerns including unethical behavior, actual or suspected frauds or violation of Company's code of conduct or ethics etc.

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

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

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

Related Party Transactions

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

<http://dcmsshriram.com/sites/default/files/related-party-transaction-policy.pdf>

During the year, there were no contracts or arrangements entered into with related parties as referred to in Section 188(1) of the Act, the particulars of which are required to be disclosed in Form AOC-2.

Material Subsidiary Policy

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

<http://dcmsshriram.com/sites/default/files/material-subsidiary-policy.pdf>

Particulars of Loans, Guarantees or investments

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

Fixed Deposits

1. The details relating to deposits, covered under Chapter V of the Act:
 - a) accepted during the year : Rs.16,64,24,033/-
 - b) remained unclaimed as at the end of the year: Rs.10,52,372/-

- c) there has been no default in repayment of deposits or payment of interest thereon during the financial year ended on 31st March, 2016.
2. There are no deposits, which are in non-compliance with the requirements of Chapter V of the Act.

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

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

DCM Shriram Employee Stock Purchase Scheme

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

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

Directors and Key Managerial Personnel (KMP)

Shri K.K. Kaul and Shri Sharad Shrivastva, Directors retire by rotation, and being eligible, offer themselves for re-appointment.

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

The Company has received declaration from all the Independent Directors of the Company under Section

149(7) of the Act, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

<http://dcmshriram.com/sites/default/files/familiarisation-programme-re-independent-directors.pdf>

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

In compliance with requirements of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the formal annual performance evaluation of the Board, its Committees and Individual Directors has been conducted as under:

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

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

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

B. Criteria of evaluation as approved by the NRCC

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

Performance of	Evaluation Criteria
(i) Board as a whole	<ul style="list-style-type: none"> Fulfillment of functions of the Board (for instance guiding corporate strategy, risk policy, business plans, corporate performance, monitoring Company's governance practices etc., as per the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Number of Board Meetings held during the year.
(ii) Board Committees	<ul style="list-style-type: none"> Fulfillment of functions of the Committee with reference to its terms of reference, the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Number of Committee Meetings held during the year.
(iii) Individual Directors	<ul style="list-style-type: none"> Fulfillment of responsibilities as a Director as per the Act, the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and applicable Company policies and practices, In case of the concerned Director being Independent Director, Executive Director, Chairperson of the Board or Chairperson or Member of the Committees, with reference to such status and role, Board and/or Committee meetings attended, General Meetings attended.

Particulars of Employees

The details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of Employees of the Company, are given in **Annexure - 3** of this Board's Report.

However, in terms of Section 136(1) of the Act, this Report and Financial Statements are being sent to the Members and others entitled thereto, excluding the Statement of Particulars of Employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The said statement is available for inspection by the Members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, the same is made available to him on receiving a request.

Composition of Audit Committee

As on the date of this report, the Audit Committee comprised of 4 Independent-Non-Executive Directors, viz., Dr. S.S. Bajjal as Chairman, and Shri Arun Bharat Ram, Shri Pradeep Dinodia and Shri D. Sengupta as Members.

Extract of Annual Return

The Extract of Annual Return of the Company as on 31.3.2016 in Form MGT-9 is attached as **Annexure - 4** to this Board's Report.

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

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

Secretarial Audit Report

The Board appointed M/s. Sanjay Grover & Associates, Company Secretaries, to conduct the Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31st March, 2016 is attached as **Annexure - 6** to this Board's Report. The Secretarial Audit Report does not contain any qualification or reservation or adverse remark or disclaimer.

Unclaimed Shares Suspense Account

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

Balance as on 1.4.2015		No. of Members who approached the Company for transfer of shares and shares transferred from Suspense Account during the year		Balance as on 31.3.2016	
No. of holders	No. of shares	No. of holders	No. of Shares	No. of Holders	No. of Shares
4,542	6,70,790	17	3,410	4,525	6,67,380

The voting rights on the shares in the suspense

account as on 31st March, 2016 will remain frozen unless the rightful owners of such shares claim the shares.

Corporate Governance

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

Auditors

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

Cost Auditors

The Company appointed M/s. Bahadur Murao & Co., Cost Accountants, New Delhi as Cost Auditors for the financial year 2016-17 to audit the cost accounting records of its products namely, Fertilisers, Chemicals, Cement, PVC, UPVC Articles, and of Power Plants (if applicable) at SFC Kota and SAC Jhagadia.

The Company also appointed M/s. J.P. Sarda & Associates, Cost Accountants, Kota as Cost Auditors for the financial year 2016-17 to Audit its cost accounting records of its DSCL Sugar units including Power selling plants.

Shifting of Registered Office of the Company

The Registered office of the Company has been shifted to 1st Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001 from 5th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001 w.e.f. 2.2.2016.

Directors' Responsibility Statement

Your Directors state that:

- a) in preparation of annual accounts for the year ended 31st March, 2016, the applicable accounting

standards have been followed and there are no material departures;

- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls as followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Industrial Relations

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

Acknowledgements

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

On behalf of the Board

New Delhi
10 May, 2016

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

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

AOC - 1 - Part "A" : Subsidiaries

Name of the subsidiary	DCM Shriram Credit and Investments Ltd.	DCM Shriram Foundation	Haryali Ventures Ltd.	Shriram Bioseed Ventures Ltd.	Bioseed India Ltd.	DCM Shriram Infrastructure Ltd.	DCM Shriram Aqua Foods Ltd.	Fenesta India Ltd.	Shri Ganpati Fortifiers Ltd.	Shridhar Shriram Foundation	PT Shriram Seed, Indonesia	Shriram Bioseed (Thailand) Ltd.	Bioseed Research USA INC.	Bioseed Holdings Pre. Ltd.	Bioseed Research Philippines, INC	Bioseed Vietnam Ltd.	Bioseeds Ltd.	PT Shriram Haryali Genetics, Services Indonesia Ltd.*
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Share capital	6.00	0.01	1.0	4.05	0.05	0.45	8.35	0.05	2.15	0.05	35.45	29.62	0.0017	47.31	7.70	7.93	15.26	1.99
Reserves & surplus	-6.34	-0.01	0.66	19.77	-0.04	-1.15	-5.19	0.14	-27.80	-0.012	-15.28	-29.25	0.10	-4.24	-40.39	-33.52	106.11	-4.95
Total assets	5.16	0.02	16.77	150.10	0.01	30.89	3.16	14.49	9.49	0.04	27.81	1.51	0.11	163.92	42.06	59.09	215.71	7.45
Total Liabilities	5.50	0.02	15.11	126.28	0.003	31.59	0.004	14.30	35.14	0.001	7.64	1.14	0.01	120.85	74.75	84.68	94.34	10.41
Investments	1.82	-	-	54.64	-	-	-	-	-	-	-	-	-	77.49	-	-	11.89	-
Turnover	0.54	0.01	0.07	9.86	-	-	0.14	49.76	25.99	-	5.15	0.96	-	6.17	22.25	23.10	8.8	10.64
Profit before taxation	-2.86	0.0036	0.01	0.17	-0.005	-0.11	0.07	0.04	-3.26	-0.002	-5.23	-2.15	-0.01	-2.28	-23.80	-13.53	0.42	-0.56
Provision for taxation	-	-	0.08	0.05	-	-	0.06	0.01	-	-	0.03	-	-	0	-0.17	-	0.06	0.01
Profit after taxation	-2.86	0.0036	-0.07	0.12	-0.005	-0.11	0.01	0.03	-3.26	-0.002	-5.26	-2.15	-0.01	-2.28	-23.63	-13.53	0.36	-0.55
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	81.41%	100%	95%	99.99%	100%	100%	100%	100%	100%	49%

Notes:

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

* An application with the Registrar of Companies, NCT of Delhi and Haryana has been filed for striking off its name which is under process.

AOC -1 - Part "B": Associate and Joint Venture

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

Name of Joint Venture Company	Shriram Axiall Pvt. Ltd.
Latest audited Balance Sheet date	31.3.2016
No. of Shares of Joint Ventures held by the Company at the year end	17,32,500
Amount of Investment in Joint Venture	Rs.3.42 Crores
Extent of Holding %	50%
Description of how there is significant influence	Joint Venture, having 50% control of the total paid-up share capital of the Company
Reasons why the Joint Venture is not consolidated	N.A.
Networth attributable to Shareholding as per latest audited Balance Sheet	Rs.20.04 Crores
Profit/(Loss) for the year	
i. Considered in Consolidation	Rs.0.64 Crore
ii. Not Considered in Consolidation	Nil

Notes :

1. Names of associate or Joint Venture which are yet to commence operations : Nil
2. Names of associate or Joint Venture which have been liquidated or sold during the year : Nil

Sameet Gambhir
Company Secretary

J.K. Jain
Chief Financial Officer

S.S. Baijal
Director
DIN : 00027961

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

REMUNERATION POLICY

1. PREAMBLE

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

2. OBJECTIVE

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

3. DEFINITIONS

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

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

4. KEY PRINCIPLES

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

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

5. REMUNERATION PAID TO EXECUTIVE DIRECTORS/MANAGING DIRECTORS

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

b) Commission

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

c) Perquisites and Allowances

Perquisites and Allowances commensurate to the position of Executive Directors.

d) Contribution to Provident, Superannuation fund and Gratuity payments

e) Minimum Remuneration

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

6. REMUNERATION PAID TO NON-EXECUTIVE AND INDEPENDENT DIRECTORS

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

7. KMPS/SENIOR MANAGEMENT PERSONNEL/ OTHER OFFICERS & STAFF

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

be able to meet the requirements of the job and business.

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

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

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

8. WORKMEN COMPENSATION

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

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

9. DIRECTORS' AND OFFICERS' INSURANCE

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

10. AMENDMENTS

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

11. DISCLOSURE

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

Annexure - 3

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

- (i) The percentage increase in remuneration of each Director and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16:

S. No.	Name of Director and Designation	% increase in remuneration	Ratio of remuneration of each Director to median remuneration of employees
1	Shri Ajay S. Shriram Chairman & Sr. Managing Director, CEO & KMP	34.70	136:1
2	Shri Vikram S. Shriram Vice Chairman & Managing Director	35.68	133:1
3	Shri Ajit S. Shriram Joint Managing Director	41.03	112:1
4	Shri K.K. Kaul Whole Time Director	12.58	47:1
5	Dr. N.J. Singh Whole Time Director (EHS)	16.42	19:1
6	Dr. S.S. Baijal Non-Executive Independent Director	8.77	12:1
7	Shri Arun Bharat Ram Non-Executive Independent Director	58.00	5:1

S. No.	Name of Director and Designation	% increase in remuneration	Ratio of remuneration of each Director to median remuneration of employees
8	Shri Pradeep Dinodia Non-Executive Independent Director	9.52	9:1
9	Shri Vimal Bhandari Non-Executive Independent Director	56.21	4:1
10	Shri Sunil Kant Munjal Non-Executive Independent Director	34.21	4:1
11	Shri D. Sengupta Non-Executive Independent Director	14.69	8:1
12	Mrs. Ramini Nirula Non-Executive Independent Director (appointed w.e.f. 3.2.2015)	123.08	4:1
13	Shri Sharad Shrivastva Nominee Director (LIC)	1.44	3:1

The key parameters for variable component of remuneration availed by the Directors includes the performance of the Company and Directors and remuneration received by the other directors in comparable industry.

(ii) **Comparison of remuneration of Key Managerial Personnel and average remuneration of employees against the performance of the Company, increase in median remuneration of employees and average percentile increase in remuneration of managerial personnel & employees other than managerial personnel.**

S. No.	Particulars	Financial Year 2015-16 (Rs. in Lacs)	Financial Year 2014-15 (Rs. in Lacs)	% increase/decrease
1	Remuneration of Key Managerial Personnel			
	Shri Ajay S. Shriram (Chairman & Sr. Managing Director & KMP)	510.78	379.20	34.70
	Shri. J. K. Jain (Chief Financial Officer & KMP)	139.67	119.24	17.13
	Shri Sameet Gambhir (Company Secretary & KMP)	63.40	--	N.A.
	Total	713.85	498.44	43.22
2	Average remuneration of employees	6.91	6.45	7.13
3	Profit before tax	41190.00	25709.00	60.22
4	Median remuneration of employees	376575.00	356589.00	5.60
Average percentile increase made in the salaries of employees other than managerial personnel: 6.19%				
Percentile increase in managerial remuneration: 27.79%				

a) Increase in Managerial Remuneration was recommended by Nomination, Remuneration and Compensation Committee and approved by Board of Directors keeping in view of the performance of the Company and Managerial Personnel and the remuneration received by Chief Executives in comparable bodies corporate.

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

(iii) **Variation in Market Capitalization, Price Earning Ratio and number of permanent employees.**

S. No.	Particulars	As on 31 st March, 2016	As on 31 st March, 2015	% increase/decrease
1	Market Capitalization (Rs. in Crores)	2257.58	1744.35	29.42
2	Price Earning Ratio	6.44	7.21	--
3	No. of permanent employees	4603	4572	0.68

(iv) **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:** The Company has not made any public offer.

(v) **Affirmation :** It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

FORM NO. MGT-9**EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March, 2016**

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1.	Fertilizer	301, Manufacture of fertilizers and pesticides	13.40
2.	Sugar	206, Manufacture and Refining of Sugar	13.26
3.	Caustic Soda	300.8, Manufacture of Basic Inorganic Chemicals N.E.C.	12.73

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Sumant Investments Pvt. Limited	A-37, Vasant Marg, Vasant Vihar, New Delhi - 110057	U65993DL1986PTC189009	Holding	60.51	2(46)
2.	Bioseed India Limited	5 th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001	U01112DL1992PLC047825	Subsidiary	100.00	2(87)
3.	DCM Shriram Infrastructure Limited	5 th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001	U18101DL1996PLC078732	Subsidiary	100.00	2(87)
4.	DCM Shriram Credit and Investments Limited	Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001	U65993DL1992PLC049517	Subsidiary	100.00	2(87)
5.	DCM Shriram Aqua Foods Limited	5 th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001	U05004DL1993PLC156164	Subsidiary	100.00	2(87)
6.	Fenesta India Limited	5 th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001	U74120DL2008PLC185966	Subsidiary	100.00	2(87)
7.	DCM Shriram Foundation	5 th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110001	U65923DL2007NPL170953	Subsidiary	100.00	2(87)

S. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
8.	Hariyali Rural Ventures Limited	5 th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001	U51909DL2007PLC171615	Subsidiary	100.00	2(87)
9.	Shridhar Shriram Foundation	5 th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001	U85100DL2010NPL198887	Subsidiary	100.00	2(87)
10.	Shriram Bioseed Ventures Limited	5 th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001	U45400DL2007PLC163026	Subsidiary	100.00	2(87)
11.	Shri Ganpati Fertilizers Ltd.	5 th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001	U24110DL1995PLC223806	Subsidiary	81.41	2(87)
12.	Bioseeds Holdings Pte. Ltd.	17, Phillip Street, #05-01, Grand Building, Singapore-048695	--	Subsidiary	100.00	2(87)
13.	Bioseeds Limited	Suite 2004, Level 2, Alexander House, 35 Cyber city, Ebene- Mauritius	--	Subsidiary	100.00	2(87)
14.	Bioseed Research Philippines Inc.	National Hi-way, Katangawan, General Santos City, Philippines	--	Subsidiary	100.00	2(87)
15.	Bioseeds Research USA Inc.	203 North LaSalle Street, Suite 2500, Chicago, IL-60601 (USA)	--	Subsidiary	100.00	2(87)
16.	Bioseed Vietnam Limited	Room No.348, 3rd Floor, Binh Minh Hotel, 27 Ly Thai To Street, Hoan Kiem, District- Hanoi-Vietnam	--	Subsidiary	100.00	2(87)
17.	PT. Shriram Genetics, Indonesia	Mayapada Tower 1, Lantai 07 Suites 06 F / E, Jl. Jenderal Sudirman, Kav. 28, Kel. Karet, Kec. Setiabudi, Jakarta Selatan 12920, Indonesia	--	Subsidiary	49.00	2(87)
18.	PT. Shriram Seed, Indonesia	Mayapada Tower 1, Lantai 07 Suites 06 F / E, Jl. Jenderal Sudirman, Kav. 28, Kel. Karet, Kec. Setiabudi, Jakarta Selatan 12920, Indonesia	--	Subsidiary	95.00	2(87)
19.	Shriram Bioseed (Thailand) Limited	48/145, MOO.12 Tumbol Thankasem, Amphur Phraputtabaht, 18120- Saraburi- Thailand	--	Subsidiary	99.99	2(87)
20.	Shriram Axiall Pvt. Limited	5 th Floor Kanchenjunga Building, 18, Barakhamba Road, New Delhi -110001	U74120DL2008PTC185967	Joint Venture	50.00	2(6)
21.	Hariyali Services Limited*	5 th Floor Kanchenjunga Building, 18, Barakhamba Road, New Delhi -110001	U74120DL2008PLC186193	Subsidiary	100.00	2(87)

* An application with the Registrar of Companies, NCT of Delhi and Haryana has been filed for striking off its name which is under process.

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

i) Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year (as on 1.4.2015)				No. of shares held at the end of the year (as on 31.3.2016)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	5461050	--	5461050	3.36	5461050	--	5461050	3.36	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt(s).	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	98282744	--	98282744	60.52	98282744	--	98282744	60.52	--
e) Banks/Fl	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Sub-total (A) (1):-	103743794	--	103743794	63.88	103743794	--	103743794	63.88	--
(2) Foreign									
a) NRIs – Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks/Fl	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) = (A)(1) + (A) (2)	103743794	--	103743794	63.88	103743794	--	103743794	63.88	--
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	161887	--	161887	0.10	2561370	--	2561370	1.58	1.48
b) Banks/Fl	33019	19200	52219	0.03	44739	19200	63939	0.04	0.01
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(s).	--	29640	29640	0.02	--	29640	29640	0.02	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	16930443	--	16930443	10.42	16137561	--	16137561	9.93	(0.49)
g) FIs	2899242	500	2899742	1.79	1734618	500	1735118	1.07	(0.72)
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	20024591	49340	20073931	12.36	20478288	49340	20527628	12.64	0.28
(2) Non Institutions									
a) Bodies Corp.									
i) Indian	3761428	24270	3785698	2.33	2270715	24270	2294985	1.41	(0.92)
ii) Overseas	--	15105550	15105550	9.30	--	15105550	15105550	9.30	--
iii) Non-Promoter and non-public shareholding – DCM Shriram Employees Benefits Trust	3638549	--	3638549	2.24	3119174	--	3119174	1.92	(0.32)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	10094142	3757267	13851409	8.53	11462843	3649852	15112695	9.30	0.78

Category of Shareholders	No. of shares held at the beginning of the year (as on 1.4.2015)				No. of shares held at the end of the year (as on 31.3.2016)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1457701	--	1457701	0.90	1427291	--	1427291	0.88	(0.02)
c) Others	298644	460861	759505	0.47	1055289	29731	1085020	0.67	0.20
Sub-total (B)(2):-	19250464	19347948	38598412	23.77	19335312	18809403	38144715	23.48	(0.28)
Total Public Shareholding (B) = (B)(1) + (B)(2)	39275055	19397288	58672343	36.12	39813600	18858743	58672343	36.12	0.00
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A + B + C)	143018849	19397288	162416137	100.00	143557394	18858743	162416137	100.00	--

ii) Shareholding of Promoters and Promoters Group

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

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

S. No.		Shareholding at the beginning of the year (as on 1.4.2015)		Cumulative Shareholding during the year (1.4.2015 to 31.3.2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	103,743,794	63.88	#	#
2.	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease	#			
3.	At the end of the year	103,743,794	63.88		

Notes : # There is no change in the total shareholding of Promoters between 1.4.2015 and 31.3.2016.

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

S. No.	Name	Shareholding		Date of Increase/ decrease during the Financial Year (1.4.2015- 31.3.2016)	Increase/ Decrease in Shareholding*	Reason	Cumulative Shareholding during the year (1.4.2015 to 31.3.2016)	
		No of Shares & percentage at the beginning/end of the Year					Shares	% of total shares of the Company
		1.4.2015	31.3.2016					
1.	Life Insurance Corporation of India	12863749 [7.92%]	12863749 [7.92%]	--	0	N.A.	12863749	7.92
2.	Stepan Holdings Limited	7085000 [4.36%]	7085000 [4.36%]	--	0	N.A.	7085000	4.36
3.	Ristana Services Limited	4804550 [2.96%]	4804550 [2.96%]	--	0	N.A.	4804550	2.96
4.	Exemplary Management Services Private Limited	2257674 [1.39%]		--	--	--	2257674	1.39
				10.4.2015	20000	Change pursuant to ESPS Scheme of the Company	2277674	1.40
				18.9.2015	5000		2282674	1.41
				26.2.2016	-157500		2125174	1.31
				4.3.2016	-47500		2077674	1.28
				18.3.2016	-50500		2027174	1.25
				31.3.2016	-25000		2002174	1.23
			2002174 [1.23%]	--	--		2002174	1.23
5.	The New India Assurance Company Limited	1527061 [0.94%]		--	--	--	1527061	0.94
				24.7.2015	522	Purchase	1527583	0.94
				31.7.2015	12341	Purchase	1539924	0.95
				7.8.2015	27607	Purchase	1567531	0.97
				14.8.2015	45066	Purchase	1612597	0.99
				21.8.2015	21118	Purchase	1633715	1.01
				28.8.2015	61504	Purchase	1695219	1.04
				4.9.2015	102499	Purchase	1797718	1.11
				11.9.2015	64705	Purchase	1862423	1.15
				18.9.2015	27028	Purchase	1889451	1.16
				25.9.2015	3913	Purchase	1893364	1.17
				30.9.2015	25571	Purchase	1918935	1.18
				9.10.2015	58080	Purchase	1977015	1.22

S. No.	Name	Shareholding		Date of Increase/ decrease during the Financial Year (1.4.2015-31.3.2016)	Increase/ Decrease in Shareholding*	Reason	Cumulative Shareholding during the year (1.4.2015 to 31.3.2016)	
		No of Shares & percentage at the beginning/end of the Year					Shares	% of total shares of the Company
		1.4.2015	31.3.2016					
			1977015 [1.22%]	--	--	--	1977015	1.22
6.	Sal Perton Limited	1650000 [1.02%]	1650000 [1.02%]	--	0	N.A.	1650000	1.02
7.	Turnstone Investment Limited	1566000 [0.96%]	1566000 [0.96%]	--	0	N.A.	1566000	0.96
8.	ICICI Prudential	0		--	--	--	--	0
				29.5.2015	334979	Purchase	334979	0.21
				5.6.2015	218101	Purchase	553080	0.34
				12.6.2015	148824	Purchase	701904	0.43
				26.6.2015	5059	Purchase	706963	0.44
				30.6.2015	5667	Purchase	712630	0.44
				10.7.2015	196883	Purchase	909513	0.56
				17.7.2015	1278410	Purchase	2187923	1.35
				24.7.2015	3124	Purchase	2191047	1.35
				31.7.2015	45553	Purchase	2236600	1.38
				7.8.2015	231357	Purchase	2467957	1.52
				14.8.2015	188983	Purchase	2656940	1.64
				21.8.2015	37043	Purchase	2693983	1.66
				28.8.2015	111098	Purchase	2805081	1.73
				11.9.2015	23162	Purchase	2828243	1.74
				30.9.2015	57887	Purchase	2886130	1.78
				22.1.2016	9119	Purchase	2895249	1.78
				5.2.2016	73567	Sale	2821682	1.74
				12.2.2016	26052	Sale	2795630	1.72
				26.2.2016	48873	Sale	2746757	1.69
				4.3.2016	95187	Sale	2651570	1.63
				11.3.2016	268327	Sale	2383243	1.47
				18.3.2016	213820	Sale	2169423	1.34
				2169423 [1.34%]	--	--	--	2169423
9.	Bajaj Allianz Life Insurance Company Limited	0 [0.00%]		--	--	--	0	0
				21.8.2015	469000	Purchase	469000	0.29
				6.11.2015	-30000	Sale	439000	0.27
				4.12.2015	25290	Purchase	464290	0.29
				11.12.2015	14000	Purchase	478290	0.29
				478290 [0.29%]	--	--	--	478290
10.	General Insurance Corporation of India	450000 [0.28%]	450000 [0.28%]	--	0	N.A.	450000	0.28

*Based on weekly BenPos.

v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name of Directors	Shareholding		Date of Increase/ decrease during the Financial Year (1.4.2015-31.03.2016)	Increase/Decrease in Shareholding*	Reason	Cumulative Shareholding during the year (1.4.2015 to 31.3.2016)	
		No. of shares & percentage* at the beginning/end of the year					No. of shares	% of total shares of the Company
		1.4.2015	31.3.2016					
1.	Shri Ajay S. Shriram Chairman & Sr. Managing Director & Key Managerial Personnel	493780 [0.30%]	493780 [0.30%]	--	0	NIL	493780	0.30
2.	Shri Vikram S. Shriram Vice Chairman & Managing Director	503310 [0.31%]	503310 [0.31%]	--	0	NIL	503310	0.31
3.	Shri Ajit S. Shriram Joint Managing Director	595580 [0.37%]	595580 [0.37%]	--	0	NIL	595580	0.37
4.	Shri K.K. Kaul Whole Time Director	59000 [0.04%]	59000 [0.04%]	--	--	--	59000	0.04
5.	Dr. N.J. Singh, Whole Time Director (EHS)	3000 [0.00%]		--	--	--	3000	0.00
				30.11.2015	2500	Purchase	5500	0.00
				31.3.2016	2500	Purchase	8000	0.00
			8000 [0.00%]	--	--	--	5000	0.00
6.	Dr. S.S. Baijal Non-Executive Director	50000 [0.03%]	50000 [0.03%]	--	0	NIL	50000	0.03
7.	Shri Arun Bharat Ram Non-Executive Director	0 [0.00%]	0 [0.00%]	--	0	NIL	0	0.00
8.	Shri Pradeep Dinodia Non-Executive Director	29270 [0.02%]	29270 [0.02%]	--	0	NIL	29270	0.02
9.	Shri Vimal Bhandari Non-Executive Director	2000 [0.00%]	2000 [0.00%]	--	0	NIL	2000	0.00
10.	Shri Sunil Kant Munjal Non-Executive Director	0 [0.00%]	0 [0.00%]	--	0	NIL	0	0.00
11.	Shri D.Sengupta Non-Executive Director	20000 [0.01%]	20000 [0.01%]	--	0	NIL	20000	0.01
12.	Mrs.Ramni Nirula Non-Executive Director	0 [0.00%]	0 [0.00%]	--	0	NIL	0	0.00
13.	Shri Sharad Shrivastva Nominee Director (LIC)	0 [0.00%]	0 [0.00%]	--	0	NIL	0	0.00
Key Managerial Personnel (KMPs)								
1.	Shri J.K. Jain Chief Financial Officer	21260 [0.01%]		--	--	--	21260	0.01
				31.3.2016	20,000	Purchase	41260	0.03
			41260 [0.03%]	--	--	--	41260	0.03
2.	Shri Sameet Gambhir Company Secretary	0 [0.00%]		--	0	0	0	0
				1.3.2016	15,000	Purchase	15000	0.01
			15000 [0.01%]	31.3.2016	--	--	15000	0.01

*Based on weekly BenPos.

V. INDEBTEDNESS

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

(Rs. in Crores)

Description	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year.				
i) Principal Amount	703.70	26.40	14.15	744.25
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	12.19	0.25	0.36	12.80
Total (i + ii + iii)	715.89	26.65	14.51	757.05
Change in Indebtedness during the financial year				
• Addition	755.39	375.49	16.64	1147.52
• Reduction	731.55	98.98	0.22	830.75
Net Change	23.84	276.51	16.42	316.77
Indebtedness at the end of the financial year				
i) Principal Amount	727.54	302.91	30.57	1061.02
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	10.45	0.66	0.19	11.30
Total (i + ii + iii)	737.99	303.57	30.76	1072.32

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Directors, Whole-Time Directors and/or Manager

(Rs. in Lacs)

S. No.	Particulars of Remuneration	Name of MDs/WTDs					Total Amount
		Ajay S. Shriram Chairman & Sr. Managing Director	Vikram S. Shriram Vice Chairman & Managing Director	Ajit S. Shriram Joint Managing Director	K.K. Kaul Whole Time Director	Dr. N.J. Singh Whole Time Director (EHS)	
1.	Gross salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	165.09	164.74	119.45	114.97	52.32	616.57
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	58.46	54.73	47.54	1.33	1.54	163.60
	(c) Profit in lieu of salary u/s 17(3) of Income Tax Act, 1961	--	--	--	--	--	--
2.	Stock option	--	--	--	--	--	--
3.	Sweat Equity	--	--	--	--	--	--
4.	Commission						
	- as % of profits	250.00	245.00	230.00	45.00	12.00	782.00
	- others	20.24	19.70	14.30	9.27	3.66	67.17
5.	Others(Contribution to PF)	16.99	16.56	12.24	8.22	3.73	57.74
	Total (A)	510.78	500.73	423.53	178.80	73.25	1687.09
	Ceiling as per the Act	Rs.44.29 Crores (being 10% of Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)					

B. Remuneration to other Directors

(Rs. in Lacs)

S. No.	Particulars of Remuneration	Nominee Director	Independent Director							Total Amount
		Sharad Shrivastva	Dr. S.S. Bajjal	Arun Bharat Ram	Pradeep Dinodia	Vimal Bhandari	Sunil Kant Munjal	D. Sengupta	Ramni Nirula	
1.	- Fee for attending Board/Committee meetings	1.00	7.70	3.75	6.60	2.00	2.50	5.85	2.50	31.90
2.	- Commission	9.60	36.60	16.00	25.60	11.20	12.80	23.20	12.00	147.00
	Total (B)	10.60	44.30	19.75	32.20	13.20	15.30	29.05	14.50	178.90
	Total Managerial Remuneration (A + B)	1865.99								
	Overall Ceiling as per the Act	Rs.48.72 Crores (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)								

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

(Amount/ Rs. Lacs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
1.	Gross salary	Ajay S. Shriram Chairman & Sr. Managing Director, CEO	J.K. Jain Chief Financial Officer	Sameet Gambhir Company Secretary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	165.09	110.62	60.98	336.69
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	58.46	15.97	0.04	74.47
	(c) Profit in lieu of salary u/s 17(3) of Income Tax Act, 1961	-	-	-	-
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profits	250.00	-	-	250.00
	- others	20.24	6.82	-	27.06
5.	Others(Contribution to PF)	16.99	6.26	2.38	25.63
	Total	510.78	139.67	63.40	713.85

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Annexure - 5

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

A) Conservation of energy

- (i) **the steps taken and/or impact on conservation of energy;**

SFC Complex – Kota

Fertilizer

- Revamping of Benefield system in Ammonia Plant in December, 2015 resulting into energy savings of 5616.6 MTOE/per year.
- Modification in flue gas duct of combustion Air Preheater resulting into energy savings of 189.8 MTOE/per year.
- Improvement in process of water circulation pump in Ammonia Plant resulting into energy savings of 645.2 MTOE/per year.

PVC

- Installation of Back pressure turbine to generate power utilizing energy lost in reducing steam pressure resulting in annualized saving of 94.2 MTOE/per year.

Carbide

- Installation of Additional Evaporator Coil Bank in 30MVA Waste Heat Recovery Boiler. This has lead to energy recovery of approx. 504 MTOE/per year due to additional steam generation.

Power

- Online fly ash sampler with reflectance meter installed in 40 MW to take immediate corrective action to control un-burnt carbon in fly ash. Reduction in un-burnt carbon achieved by 0.6% resulting in an energy saving of 554.4 MTOE/per year.
- Installation of new efficient instrument air compressor replacing the old inefficient compressors resulting in energy saving of 141.9 MTOE/per year.

- Replacement of old Auto Recirculation Valve (ARC) of boiler no.1 of 40 MW with new one to prevent feed water passing resulting in energy saving of 88.2 MTOE/per year.

Cement

- Better control on operating parameters has lead to reduction in thermal energy consumption by 567.0 MTOE/per year.
- Lower power consumption by optimization of operating parameters has lead to reducing energy consumption by 233.6 MTOE/per year.

Chemicals

- Cell Power optimization in Electrolyser # D and E by the following schemes:-
 - Install New Zero gap type cell units (150 #) in Electrolyser # E along with new Membranes.
 - Install existing NCH type cell unit of Electrolyser # E (150 #) in Electrolyser # D after their conversion to zero gap.
 - Reduce the operating CD of Electrolyser # E from 6.0 to 5.6 and increase the CD on Electrolyser # D from 4.7 to 5.0. for better power optimization.

The above measures will lead to energy saving of 2135.6 MTOE/per year.

SAC-Bharuch Chemical Plants

- Conversion of Electrolyzer F into energy efficient Zero gap Electrolyzer.
- Reduction in pressure drop by modifying FD fan discharge duct.
- Reduced energy consumption by stopping operation of P975 (pump used for empty out equalization tank # 1&2) by providing direct drain line to non silica pit by gravity.
- Installation of LED tube lights in different location in Power plant, coal pit & salt pit.

The above measures lead to reduction in cost of production by Rs.235 per MT thereby a saving of Rs.369 lacs per annum.

Sugar Plants – U.P.

- Modification/Improvements in Low Temperature Evaporation Module with redesigned automation to sustain the steam saving done.
- With the help of power manager, individual equipment power consumption was assured and electrical capacities redesigned to save electrical energy.

The above measures lead to steam saving and reduction in Electrical Power Consumption.

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

SFC Complex - Kota

- Optimal utilization of hydrogen (which was earlier being dissipated) in caustic soda flaker plant as fuel, substituting furnace oil.
- Used Bio-mass to substitute steam coal partially in power plant.

SAC – Bharuch

- Utilization of Hydrogen in boiler as fuel in place of coal.

(iii) the capital investment on energy conservation equipments;

Major investments on energy conservation equipment are as under:

(Rs.Crores)

Particulars	Investment
Fertilisers – SFC Kota	
CO2 removal system of Ammonia plant	11.00
Modification in flue gas duct	0.36
PVC – SFC Kota	
Installation of Back pressure turbine	0.90
Carbide – SFC Kota	
Additional Evaporator Coil Bank in 30MVA Waste Heat Recovery Boiler	0.78
Power – SFC Kota	
New compressor along with its installation	0.22
Chemicals – SFC Kota	
Cell power optimization in electrolyser # D and E	12.75
Chemicals – SAC Bharuch	
Installation of Air Preheater for waste heat recovery form flue gas	1.44

B) Technology Absorption

(i) the efforts made towards technology absorption;

SFC Complex – Kota

Fertilizer

Adoption of Benfield Lo-heat process technology:

- In Ammonia plant of the Company's Fertilizer Unit, gaseous mixture containing mainly Hydrogen, Nitrogen and Carbon Dioxide is produced. Carbon Dioxide is separated from this gaseous mixture in packed bed column using substantial amount of heat and then sent to Urea plant for further processing.

In order to reduce the heat consumption, Benfield Lo-heat process technology has been adopted wherein the waste heat is recovered from the system and reused for Carbon Dioxide separation. The technology has been provided by M/s. UOP LLC, USA who own this technology. Also, new proprietary activator, ACT-1 supplied by UOP has also been used for reduction in energy consumption.

Chemicals

Absorption of Zero Gap technology:

- For improving the energy efficiency, the zero gap technology was absorbed by providing the fine Nickel mesh and Ni Mattress on the existing cathode.

The existing cathodes were used as current collector. The fine mesh and mattress has reduced the gap between anode and cathode by ~ 4 MM. Thus by reducing the gap, cell power got reduced.

Carbide

Installation of New Modified Circular Conveyor Assembly imported from China:

- Raw Material charging in 30MVA furnace is done through Circular conveyor and feeds raw material through 10 Nos. charging chute pipes at different locations. Due to increased usage small size HSPC in 30 MVA furnace and due to varying and uneven gap between

conveying table and various diverter plates in Circular conveyor, distribution of carbon materials is non-homogeneous resulted in disturbed furnace operation and affecting quality of the carbide badly.

Successful commissioning of new upgraded design of Complete Circular Conveyor Assembly imported from DHHI, China in February 2016. It is estimated to result in additional production of 3 Ton/Day Carbide (Approx. 1000 T/year) from financial year 2016-17 due to stable furnace operations.

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

SFC Complex - Kota

Fertiliser

- Adoption of UOP's Lo-heat Benfield technology along with their proprietary activator ACT-1 has led to reduction in energy consumption by 5616.6 MTOE/year thus leading to reduction in energy cost of production.

Chemicals

- The absorption of zero gap technology has lead to reduction in energy consumption by 2135.6 MTOE/year.

Carbide

- It is estimated to result in additional contribution of Rs.90 lacs/year due to additional production along with improvement in gas yield of carbide.

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

SFC Complex - Kota

Fertiliser

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

Carbide

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

Chemicals

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

Chemical (SAC – Bharuch)

a)	Technology Imported	Components, Spare parts, Capital Goods and Technical Consultancy.
b)	Year of import	2015-16, 2014-15 & 2013-14
c)	Whether technology has been fully absorbed	Yes
d)	If technology not fully absorbed, reason for same & future plan of action	N.A

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

Capital	:	Rs.2.17 Crores
Revenue	:	Rs.39.03 Crores

C) Foreign Exchange Earnings and Outgo

Total foreign exchange used and earned:

	(Rs./Crores)
	2015-16
- Total foreign exchange used	888.31
- Total foreign exchange earned	7.74

Annexure – 6

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED
31st MARCH, 2016

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

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

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

We report that-

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation

standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

- f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder/Companies Act, 1956 (wherever applicable);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015/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 (Share based Employee Benefits) Regulations, 2014;
- (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (i) The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015 applicable w.e.f. December 1, 2015.

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

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

- (i) Secretarial Standard on Meetings of the Board of Directors and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India applicable w.e.f. July 1, 2015.
- (ii) Listing Agreements (applicable upto November 30, 2015) entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

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

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

- **Agri-Rural Business**

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

- **Chlor-Vinyl Business**

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

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

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

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

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

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

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

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

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No. P2001DE052900

May 10, 2016
New Delhi

Sanjay Grover
Managing Partner
C P No.: 3850

Corporate Social Responsibility

Brief Outline of Corporate Social Responsibility (CSR) Policy

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

Overview of Projects/Programs Undertaken

Projects identified for CSR are designed to meet the needs of identified communities and are also aligned to priorities of the government. Such initiatives, their constitution and functions are detailed below:

I. Livelihood, Education, Vocational skills

The Company endeavours to support and promote education and sustainable living by creating a network of Self Help Groups, Farmers Group, Agriculture Development & Farm Focus through Company's several development programs. It works extensively with farmers around its Agri Business locations to increase farm productivity.

In the Meetha Sona Project, the Company, in association with multilateral partners like IFC & Solidaridad, is helping to increase farm productivity, promote water management, improve Soil fertility & promote farm mechanisation.

The Company continues to support Education activities with a special focus on protecting the future of the girl child. In Kota (Rajasthan), the Company has instituted scholarship programs that encourage students to pursue technical education.

II. Preventive Healthcare & Sanitation

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

'Khushali Sehat' is a popular Health initiative on Maternal & Child health in Sugar locations. It reaches out to over 7,000 families in 30 villages.

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

In response to the Swachh Bharat Mission of Govt. of India, the Company has undertaken to improve sanitation standards in 50 rural government schools in Rajasthan, Gujarat, Andhra Pradesh and Uttar Pradesh, by upgrading their toilets, supporting routine maintenance and promoting behaviour change around sanitation.

III. Environment

The Company executes its environment initiatives in association with the Forest Department, Gram Sabhas and Local Communities. The Company understands the need to maintain right ecological balance and has created

green belts in and around all its facilities. Over 75,000 tree saplings have been planted around our Bharuch Plant, over the last 12 years. Over 5,00,000 tree saplings have been planted in the Rocky Terrain at Kota.

With a focus on environmental sustainability and water conservation, the Company is involved in repair and maintenance of irrigation canal near Kota (Rajasthan). Water conservation programs are promoted by the Company on farms around its Sugar Factories. The Company's water harvesting based reservoir is spread over 50 acres at Kota and stores 4.5 lac cubic metres of water.

The Company is assisting farmers in controlling insect pests through use of parasitoids, thus reducing the dependence on chemical pesticides. The parasitoids are being reared in a Bio Control Facility set up by the Company.

IV. Rural Development

The Company also focuses on infrastructure development activities in the rural areas. It has built RO Water Plant in Lingapalem village in Andhra Pradesh and is involved in upgradation of schools and hospitals, Panchayat Bhawans etc. Also critical to the rural economy is the promotion of Farm mechanization through a program that promotes rural entrepreneurs. These activities are undertaken in close association & participation of the local community & Gram Panchayats.

Impact Evaluation

Programs are rigorously monitored and evaluated through processes like Timeline Evaluation and Impact Assessment. Results of such evaluations have revealed a high degree of impact of our programs, especially those pertaining to preventive health & sanitation.

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

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

Composition of CSR Committee

The CSR Committee comprises the following Directors :

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

Average Net Profit of the Company

The average net profit of the Company for the preceding three years block of 2012 - 13 to 2014 - 15 was Rs.251.49 Crores. The prescribed expenditure on CSR, for the year 2015 - 16 was Rs.5.03 Crores.

Details of CSR Spent

During the year 2015-16, the Company spent Rs.5.03 Crores towards various programs and projects of CSR. The details are provided in the Annual Report of CSR as attached (Annexure).

Annexure

Annual Report on Corporate Social Responsibility(CSR) activities for the financial year 2015-16

(Amount/ Rs.Lacs)

1	2	3	4	5	6		7	8
S. No.	Sector in which the project is covered	CSR project or activity identified	Specify the state and district where projects or programs was undertaken	Amount outlay (budget) (Rs.lacs)	"Amount spent on the projects (Rs.lacs)"		Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
					Direct Expenditure	Overheads		
1	Preventive healthcare and sanitation	Maternal and child health program, cataract program; health camps, sanitation program for schools and community	Distt. Kota, Rajasthan; Distt. Lakhimpur Kheri & Hardoi, Uttar Pradesh	144	144	--	144	Directly and in association with Vinoba Sewa Ashram, Gram Swaraj Mission Ashram, Sarvodaya Ashram
		Sub Total (1)		144	144	--	144	
2	Promoting education, vocational skills, livelihood	Scholarship to students, contribution to educational institutions, handicraft council	Distt. Kota, Rajasthan; Haryana; Punjab; Delhi; Distt. Hyderabad, Telengana; Distt. Kolkata, West Bengal	160	175	--	175	Direct
		Sub Total (2)		160	175	--	175	
3	Environmental sustainability	Support to Water conservation through repair of Irrigation canals, land levelling, trash mulching, Increasing Green Cover etc.	Distt. Kota, Rajasthan; Distts. Lakhimpur Kheri & Hardoi, Uttar Pradesh	30	30	--	30	Direct
		Soil health program to increase organic carbon, Support to program on Bio Control of pests to reduce dependence on chemical pesticides	Distts. Lakhimpur Kheri & Hardoi, Uttar Pradesh	21	25	--	25	Direct
		Sub Total (3)		51	55	--	55	
4	Rural development	Promotion of Rural Entrepreneurs (Apna Shriram Kendra)	Distts. Lakhimpur Kheri & Hardoi, Uttar Pradesh	5	5	--	5	Direct
		Repair of village roads, school buildings, tube wells, RO Plant etc. Aid to hailstorm affected homes	Distt. Bharuch, Gujarat; Distt. Hyderabad, Telengana; Distt. Lakhimpur Kheri & Hardoi, Uttar Pradesh, Distt. Kota, Rajasthan	118	99	--	99	Direct
		Sub Total (4)		123	104	--	104	
5	Overheads	Salary and travel of staff		25	0	25	25	
		Sub Total (5)		25	0	25	25	
		Grand Total (1 - 5)		503	503		503	

CSR Committee's Responsibility Statement

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

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

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

Corporate Governance Report 2015-16

(A) Company's Philosophy

The Company's philosophy on Corporate Governance is focused upon a rich legacy of fair, ethical and transparent governance practices. The Company is conscious of its responsibility as a good corporate citizen and is committed to high standard of Corporate Governance practices. This is reflected in the well balanced and independent structure of the Company's eminent and well represented Board of Directors. The Company is in full compliance with the requirements under Clause 49 of the Listing Agreement(s) with the Stock Exchange(s) from 1.4.2015 to 30.11.2015 and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations, 2015] as notified by SEBI effective from 1.12.2015.

(B) Board of Directors

As at 31.3.2016, there were thirteen Directors comprising five Executive Directors including an Executive Chairman, seven Non-Executive Independent Directors and one Nominee Director.

During the year, five Board Meetings were held on 1.5.2015, 2.8.2015, 2.11.2015, 2.2.2016 and 5.2.2016. A separate meeting of Independent Directors was held during the year.

The composition of Board of Directors, their attendance at Board Meetings during the year 2015-16 and at the last Annual General Meeting held on 18.8.2015 and also the number of other Directorship and Committee Membership/ Chairmanship as at 31.3.2016 are as follows:

Name of Director	Category of Directorship	No. of Board meetings attended	Attended last AGM	No. of other Directorship #	No. of other Committee Membership ##	
					Member (including Chairmanship)	Chairman/ Chairperson
Shri Ajay S. Shriram (Chairman & Senior Managing Director)	ED	5	YES	6	-	-
Shri Vikram S. Shriram (Vice Chairman & Managing Director)	ED	5	YES	7	-	-
Shri Ajit S. Shriram (Joint Managing Director)	ED	5	YES	7	1	-
Shri K.K. Kaul (Whole Time Director)	ED	5	YES	-	-	-
Dr. N.J. Singh (Whole Time Director (EHS))	ED	5	YES	-	-	-
Dr. S.S. Bajjal	NE-I-D	5	YES	5	3	3
Shri Arun Bharat Ram	NE-I-D	5	NO	4	3	-
Shri Pradeep Dinodia	NE-I-D	5	YES	5	3	2
Shri Vimal Bhandari	NE-I-D	4	YES	7	5	2
Shri Sunil Kant Munjal	NE-I-D	4	YES	4	2	-
Shri D. Sengupta	NE-I-D	5	YES	1	1	-
Smt. Ramni Nirula	NE-I-D	5	YES	9	9	4
Shri Sharad Shrivastva (LIC Nominee)	Nominee Director	2	YES	-	-	-

Excluding Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

Includes only Audit Committee and Stakeholders Relationship Committee.

ED- Executive Director

NE-I-D- Non-Executive Independent Director

The ratio between Executive and Non-Executive Directors (including Nominee Director) is 5:8.

Relationship amongst Directors

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

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

<http://dcmsriram.com/sites/default/files/familiarisation-programme-re-independent-directors.pdf>

Code of Conduct for Board Members & Senior Management Team

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

All Board Members and Senior Management Team have affirmed compliance of Code of Conduct as on 31st March, 2016 and a declaration to that effect signed by Chairman & Senior Managing Director is attached and forms part of this report.

(C) Board Audit Committee

(i) Terms of reference

The role and terms of reference of Board Audit Committee covers areas mentioned under Clause 49 of the Listing Agreement and Regulation 18 of SEBI Listing Regulations, 2015 and Section 177 of the Companies Act, 2013, besides other terms as may be referred to it by the Board of Directors.

(ii) Composition

The Board Audit Committee was constituted in 1990. As at 31.3.2016, the Committee comprises of four Non-Executive Independent Directors. The Committee met five times during the year on 1.5.2015, 2.8.2015, 2.11.2015, 24.12.2015 and 1.2.2016 and attendance of the Members at the meetings was as follows:

Name of Member	Status	No. of meetings attended
Dr. S.S. Bajjal	Chairman	5
Shri Arun Bharat Ram	Member	5
Shri Pradeep Dinodia	Member	5
Shri D. Sengupta	Member	4

(D) Nomination, Remuneration and Compensation Committee

(i) Terms of reference

The roles and terms of reference of the Nomination, Remuneration and Compensation Committee cover areas mentioned under Clause 49 of the Listing Agreement and Regulation 19 of SEBI Listing Regulations, 2015 and Section 178 of the Companies Act, 2013 read with related Rules as applicable and the notifications, if any, issued by the Government thereunder from time to time.

(ii) Composition

As at 31.3.2016, the Committee comprises of three Non-Executive Independent Directors and one Executive Director (the Chairman of the Company). The Committee met three times during the year on 1.5.2015, 18.8.2015, and 23.10.2015 and the attendance of the Members at the meetings was as follows:

Name of Member	Status	No. of meetings attended
Dr. S.S. Bajjal	Chairman	3
Shri Ajay S. Shriram	Member	3
Shri Pradeep Dinodia	Member	3
Shri D. Sengupta	Member	3

(iii) Performance Evaluation criteria

The Nomination, Remuneration and Compensation Committee (NRCC) has approved the following criteria for evaluation of performance of Directors (including Independent Directors) in its meeting held on 5.2.2015

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

(iv) Remuneration Policy

The policy, inter alia, provides for the following:

a) Executive Directors

(i) Basic Salary

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

(ii) Commission

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

(iii) Perquisites and Allowances

Perquisites and Allowances commensurate to the position of Executive Directors.

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

(v) Minimum Remuneration

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

b) Non-Executive Directors

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

(v) Details of remuneration of Directors for the year 2015-16

(a) Executive Directors

(Amount/Rs.Lacs)

Executive Directors	Salary	P. F.	Super-annuation	Allowances/Perquisites/Others	Commission	Total
Shri Ajay S. Shriram*	141.60	16.99	21.24	104.87	250.00	534.70
Shri Vikram S. Shriram*	138.00	16.56	20.70	96.74	245.00	517.00
Shri Ajit S. Shriram**	102.00	12.24	15.30	88.52	230.00	448.06
Shri K.K.Kaul***	68.52	8.22	10.28	47.43	45.00	179.45
Dr. N.J. Singh****	31.08	3.73	4.66	22.87	12.00	74.34

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

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

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

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

- I. Provision for incremental gratuity and earned leave for the current year has not been considered, since the provision is based on actuarial basis for the Company as a whole.
- II. Notice period for termination of appointment of Managing/Whole Time Directors is six calendar months, on either side.
- III. In the event of termination of appointment of Managing/Whole Time Directors, compensation will be in accordance with the provisions of the Companies Act, 2013 or any statutory amendment or re-enactment thereof.
- IV. No sitting fees/stock options paid/granted to Executive Directors during the financial year.
- V. The Commission is paid to Directors as recommended by NRCC and approved by the Board of Directors keeping in view their performance evaluated as per the criteria approved by NRCC.

(b) Non-Executive Directors

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

Sitting Fee payable to Non Executive Directors for attending per Board and Committees Meetings.

Particulars	Amount/Rs.	
	Sitting Fees (Upto 30.4.2015)	Sitting Fees (From 1.5.2015)
- Board	20,000	50,000
- Audit Committee	20,000	25,000
- Nomination, Remuneration and Compensation Committee	15,000	(Each Board Committee)
- CSR Committee	15,000	
- Other Board Committees	10,000	

The details of remuneration paid/payable during the year by way of sitting fee and commission for attending meetings of Board/Committees thereof along with number of shares held by Non-Executive Directors as on 31.3.2016 in the Company are as under:

Name of the Director	Amount/Rs.Lacs			No. of Shares held
	Sitting Fee	Commission	Total	
Dr. S.S. Baijal	7.70	36.60	44.30	50,000
Shri Arun Bharat Ram	3.75	16.00	19.75	-
Shri Pradeep Dinodia	6.60	25.60	32.20	29,270
Shri Vimal Bhandari	2.00	11.20	13.20	2,000
Shri Sunil Kant Munjal	2.50	12.80	15.30	-
Shri D. Sengupta	5.85	23.20	29.05	20,000
Smt. Ramni Nirula	2.50	12.00	14.50	-
Shri Sharad Shrivastva (LIC Nominee)*	1.00	9.60	10.60	-

*Payment made to LIC of India.

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

(i) Terms of reference

1. To consider and resolve the grievances of security holders of the Company including Shareholders, debenture holders and any other security holders.
2. Others
 - a. to scrutinise and approve registration of transfer and transmission of shares/debentures/warrants issued/to be issued by the Company,
 - b. to exercise all powers conferred on the Board of Directors under Article 43 of the Articles of Association,
 - c. to decide all questions and matters that may arise in regard to transmission of shares/debentures/warrants issued/to be issued by the Company,
 - d. to approve and issue duplicate shares/debentures/warrant certificates in lieu of those reported lost, and arrange for printing of blank share certificates, as per requirement,
 - e. to refer to the Board any proposal of refusal of registration of transfer of shares/debentures/warrants for their consideration,
 - f. to look into shareholders and investors complaints like transfer of shares, non-receipt of annual reports, non-receipt of declared dividend warrants, etc.,

- g. printing of Share Certificates, and
- h. to delegate all or any of its powers to Officers/Authorised Signatories of the Company.

(ii) Composition

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

Name of Member	Status
Shri Pradeep Dinodia	Chairman
Dr. S.S. Bajjal	Member
Shri Ajay S. Shriram	Member
Shri Vikram S. Shriram	Member

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

During the year, 65 Complaints were received from the shareholders and all of them were resolved to the full satisfaction of the shareholders, except 1 complaint which was pending as on 31.3.2016 on which the necessary action has already been taken by the Company before the date of this report.

(F) General Body Meetings

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2014-15	18.8.2015	10.00 A.M.	Air Force Auditorium, Subroto Park, New Delhi
2013-14	12.8.2014	10.00 A.M.	Air Force Auditorium, Subroto Park, New Delhi
2012-13	13.8.2013	10.00 A.M.	Air Force Auditorium, Subroto Park, New Delhi

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

AGM 2015

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

73, 76 and other applicable provisions, if any, of the Companies Act, 2013 to invite and accept unsecured deposits from time to time from Members/Employees and Public as per the scheme approved by the Board of Directors of the Company.

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

AGM 2014

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

- Insertion of the following at the end of Article 87 of the Articles of Association of the Company: Managing Director and/or Chief Executive Officer of the Company shall be the Chairperson of the Company.
- Approval under Section 197 and other applicable Rules and provisions, if any, of the Companies Act, 2013 for payment of sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Sections 197 and 198 of the Companies Act, 2013, to all or some or any of the Directors who are neither the Managing Directors nor the Whole Time Directors of the Company in such amounts or proportions and in such manner as may be determined by the Board of Directors.

AGM 2013

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

SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT

- During the financial year 2015-16, no Special Resolution was passed through Postal Ballot.
- As on date, no Special Resolution is proposed to be conducted through Postal Ballot.

(G) Means of Communication

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

(H) General Shareholders Information

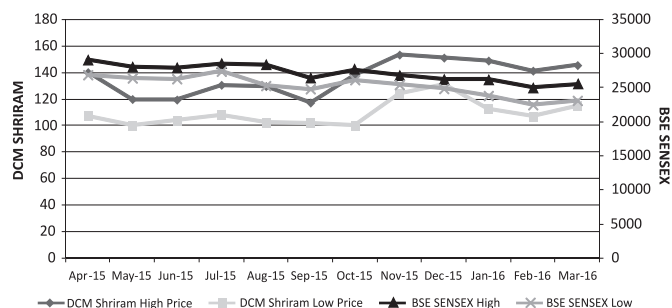
- (i) Next Annual General Meeting is proposed to be held on Tuesday, 9th August, 2016 at 10.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi.
- (ii) **Financial Year:** 1st April to 31st March.
- (iii) **Date of book closure:** 2.8.2016 to 9.8.2016 (both days inclusive).
- (iv) **Dividend payment date:** Dividend, if declared in the ensuing Annual General Meeting, will be paid within 30 days of the date of declaration to those Members whose names appear in the Register of Members on the date of book closure.
- (v) **Listing on Stock Exchanges and Stock Codes:** Equity Shares are listed on National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block-G, Bandra – Kurla Complex, Bandra (East), Mumbai-400051. (Stock Code NSE: DCMSHRIRAM) and BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 (Stock Code BSE: 523367). It is confirmed that annual listing fee for the financial year 2016-17 has been paid by the Company to National Stock Exchange of India Ltd. and BSE Ltd.

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

(vii) Equity Share Price data for the year 2015-16

Equity Share Price on NSE and NIFTY Index

Month	Share Price on NSE		NIFTY Index	
	High	Low	High	Low
2015				
April	139.90	107.95	8844.80	8144.75
May	120.05	102.55	8489.55	7997.15
June	119.85	104.30	8467.15	7940.30
July	131.00	108.20	8654.75	8315.40
August	130.00	106.65	8621.55	7667.25
September	118.00	102.40	8055.00	7539.50
October	138.15	104.65	8336.30	7930.65
November	153.70	123.75	8116.10	7714.15
December	151.60	131.15	7979.30	7551.05
2016				
January	149.90	113.50	7972.55	7241.50
February	141.90	106.65	7600.45	6825.80
March	145.70	114.50	7777.60	7035.10



(viii) Registrar and Share Transfer Agent:

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

(ix) Share Transfer System: The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Physical shares, which are lodged with the Company for transfer, are processed and returned to the members within a period of 15 days.

(x) Distribution of Shareholding as on 31.3.2016

No. of Shares		Shareholders	
		Number	% to total no. of Shareholders
Upto	- 500	37297	87.54
501	- 1000	2366	5.55
1001	- 2000	1457	3.42
2001	- 3000	514	1.21
3001	- 4000	254	0.60
4001	- 5000	164	0.38
5001	- 10000	240	0.56
10001	- 50000	247	0.58
50001	- 100000	25	0.06
100001	- and above	42	0.10
TOTAL		42606	100.00

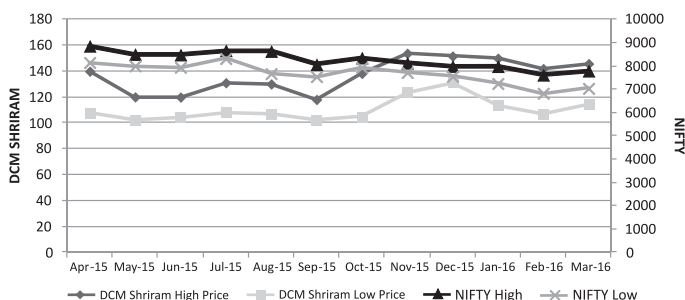
(xi) Dematerialisation of Equity Shares and liquidity

As on 31.3.2016, 88.39% of the total eligible Equity Shares were in dematerialized form and the balance 11.61% shares in physical form.

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

(xii) Plant Locations

The Company's plants are located at Ajbapur, Rupapur, Hariawan, Loni (U.P.),



Equity Share Price on BSE and BSE SENSEX

Month	Share Price on BSE		BSE SENSEX	
	High	Low	High	Low
2015				
April	140.30	107.35	29094.61	26897.54
May	120.00	100.25	28071.16	26423.99
June	119.55	104.10	27968.75	26307.07
July	130.70	108.00	28578.33	27416.39
August	129.75	102.35	28417.59	25298.42
September	117.35	102.00	26471.82	24833.54
October	138.30	100.00	27618.14	26168.71
November	153.50	123.95	26824.30	25451.42
December	151.25	131.60	26256.42	24867.73
2016				
January	149.00	113.00	26197.27	23839.76
February	141.40	107.00	25002.32	22494.61
March	145.60	115.20	25479.62	23133.18

Bharuch (Gujarat), Kota, Bhiwadi (Rajasthan), Hyderabad (Andhra Pradesh) and Chennai (Tamil Nadu).

(xiii) Address for Correspondence

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

Correspondence by the shareholders and debenture holders should be addressed to:

MCS Share Transfer Agent Limited
F-65, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi – 110020
Tel. Nos.: 011-41406149 to 41406152

Fax No.: 011-41709881

E-mail : helpdeskdelhi@mcsregistrars.com /
admin@mcsregistrars.com

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

ykgupta@dcmsshriram.com / amitmehra@dcmsshriram.com

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

Other disclosures

- (i) There were no transactions of material nature with related parties during the year that had potential conflict with the interest of the Company at large.
- (ii) There were no instances of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital markets during the last three years.
- (iii) The Company has established a Vigil Mechanism

for Directors and Employees of the Company to Report genuine concerns including unethical behavior, actual or suspected, frauds or violation of Company's code of conduct or ethics etc. The Mechanism also provides for adequate safeguards against victimization of Director(s)/Employee(s) who avail of the Mechanism and also provides for direct access to the Chairman of the Board Audit Committee in exceptional cases. Further no personnel has been denied access to the Board Audit Committee.

- (iv) The Company is complying with all the mandatory requirements of Clause 49 and SEBI Listing Regulations, 2015 as applicable.
- (v) The Company has formulated a policy for determining 'Material' Subsidiaries, which is also available on Company's website at the following web link:
<http://www.dcmsshriram.com/sites/default/files/material-subsiadiary-policy.pdf>
- (vi) The Company has formulated a policy on dealing with related party transactions, which is also available on Company's website at the following web link:
<http://www.dcmsshriram.com/sites/default/files/related-party-transaction-policy.pdf>
- (vii) The Company is in compliance with corporate governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI Listing Regulations.

Place: New Delhi
Date: May 10, 2016

AJAY S. SHRIRAM
Chairman & Sr. Managing Director

Declaration regarding Compliance of Code of Conduct

I, Ajay S. Shriram, Chairman & Senior Managing Director and CEO of DCM Shriram Limited hereby declare that all Board Members and Senior Management Team have affirmed compliance of the Code of Conduct for the year ended March 31, 2016.

Place: New Delhi
Date: May 10, 2016

AJAY S. SHRIRAM
Chairman & Sr. Managing Director

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

To
The Members of
DCM Shriram Limited

1. We have examined the compliance of conditions of Corporate Governance by DCM SHRIRAM LIMITED ("the Company"), for the year ended on March 31, 2016 as stipulated in:
 - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Gurgaon
Date : May 10, 2016

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 015125N)
Vijay Agarwal
Partner
(Membership No. 094468)

Independent Auditor's Report

To the members of DCM Shriram Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **DCM SHRIRAM LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable. 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 and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by 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 prescribed under section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Vijay Agarwal
Partner

Place : New Delhi
Date : May 10, 2016

(Membership No.094468)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **DCM SHRIRAM LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS

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

Vijay Agarwal

Partner

Place : New Delhi

Date : May 10, 2016

(Membership No.094468)

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds and lease agreements provided to us, we report that, the title deeds, comprising the immovable properties of land (freehold and leasehold) and buildings, are held in the name of the Company and in case where such immovable properties has been transferred pursuant to the scheme of amalgamation under Section 391 to 394 of the Companies Act, 1956, the transfer is through the order of the Hon'ble High Courts. Further, lands located at Rajasthan measuring 808.70 Bighas amounting to Rs 13.03 Crores, land located at Hyderabad measuring 5.03 acres amounting to Rs.1.56 Crores and lands located at Uttar Pradesh measuring 7.79 hectares amounting to Rs 0.70 Crores, are pending for registration in favour of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals except for inventory lying with third parties at the end of the year for which confirmations have been obtained in most of the cases and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has, during the year, granted unsecured loans aggregating to Rs.26.93 Crores to five wholly owned subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013. At the year end, the loans granted to six subsidiaries aggregate to Rs.157.11 Crores (net of provision of Rs.7.01 Crores). These loans include interest free loan of Rs.30.78 Crores made to a wholly owned subsidiary, which, as explained to us, have been made for setting up new projects. In respect of these loans:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest after considering the purpose for which loans have been granted as indicated above.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts

of principal amounts and interest have been regular as per stipulations.

- (c) There is no overdue amount remaining outstanding as at the year-end for more than 90 days.

The reporting under clauses (iii)(b) and (c) above has been done without considering the loans against which provision have been made in earlier years.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans and making investments.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in respect of contravention of the above said sections and the relevant rules.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of Sugar, Cement, Fertilizer, Chemicals, PVC Resin, UPVC doors and windows businesses. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax/ Value Added Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved * (Rs.in Crores)	Amount paid under protest (Rs.in Crores)	Amount Unpaid (Rs.in Crores)
Central Excise Law	Excise Duty	Appellate Authority upto Commissioner's level	2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13	3.28	0.05	3.23
		Customs, Excise and Service Tax Appellate Tribunal	1997-98, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13	5.47	1.02	4.45
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	2005-06, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13	31.94	31.71	0.22
Income-tax Act, 1961	Income-tax	Appellate Authority upto Commissioner's level	2010-11, 2011-12	5.71	5.71	-
		Income Tax Appellate Tribunal	2009-10	2.21	2.21	-
Customs Act, 1962	Customs Duty	Customs, Excise and Service Tax Appellate Tribunal	2012-13	5.38	0.54	4.84
Sales Tax Laws	Sales Tax	Appellate Authority upto Commissioner's level	1983-84, 2001-02, 2005-06, 2006-07, 2007-08, 2010-11, 2011-12	1.89	0.41	1.48
		Appellate Tribunal	1994-95, 2009-10	2.39	0.95	1.44

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

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

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.in Crores)
Sales Tax Laws	Value Added Tax	Rajasthan Tax Board	2008-09, 2009-10, 2010-11, 2011-12	3.65
Income-tax Act, 1961	Income-tax	High Court	2001-02	1.31
		Income Tax Appellate Tribunal	2009-10	0.45

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and government and dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer. Further, during the year, the Company has raised money by way of debt instruments including commercial papers. In our opinion and according to the information and explanation given to us, money raised by way of debt instruments and term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Vijay Agarwal
Partner
(Membership No.094468)

Place : New Delhi
Date : May 10, 2016

BALANCE SHEET AS AT MARCH 31, 2016

DCM SHRIRAM LIMITED

	Note	As at March 31, 2016 Rs.Crores	As at March 31, 2015 Rs.Crores
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	32.64	32.64
Reserves and surplus	2.2	2,112.28	1,824.42
		2,144.92	1,857.06
Non-current liabilities			
Long-term borrowings	2.3	258.62	300.69
Deferred tax liabilities (net)	2.4	126.00	128.82
Other long-term liabilities	2.5	39.46	36.47
Long-term provisions	2.6	164.68	146.60
		588.76	612.58
Current liabilities			
Short-term borrowings	2.7	723.34	324.20
Trade payables (includes dues of micro and small enterprises Rs.1.14 Crores; previous year Rs.3.26 Crores)	2.8	1,148.29	1,075.77
Other current liabilities	2.9	481.97	441.89
Short-term provisions	2.10	44.27	34.11
		2,397.87	1,875.97
Total		5,131.55	4,345.61
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.11	1,333.26	1,342.26
Intangible assets		26.70	3.87
Capital work-in-progress		326.14	27.85
Intangible assets under development		0.03	2.70
		1,686.13	1,376.68
Non-current investments	2.12	80.51	44.68
Long-term loans and advances	2.13	393.53	314.00
Other non-current assets	2.14	5.24	10.55
		2,165.41	1,745.91
Current assets			
Inventories	2.15	1,277.58	1,079.80
Trade receivables	2.16	1,255.00	1,007.39
Cash and bank balances	2.17	30.64	83.45
Short-term loans and advances	2.18	244.51	249.75
Other current assets	2.19	158.41	179.31
		2,966.14	2,599.70
Total		5,131.55	4,345.61
Significant accounting policies and Notes to the Financial Statements	1 to 24		

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

VIJAY AGARWAL
Partner

SAMEET GAMBHIR
Company Secretary

J.K. JAIN
Chief Financial Officer

S.S. BAIJAL
Director
DIN: 00027961

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

New Delhi
May 10, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

DCM SHRIRAM LIMITED

	Note	Year ended March 31, 2016 Rs.Crores	Year ended March 31, 2015 Rs.Crores
Revenue from operations			
Sale of Products		5,941.18	5,707.25
Less: Excise duty		249.52	237.81
		5,691.66	5,469.44
Other operating revenues	2.20	43.78	30.72
		5,735.44	5,500.16
Other income	2.21	52.07	56.57
Total Revenue		5,787.51	5,556.73
Expenses			
Cost of materials consumed		1,718.29	1,760.72
Purchases of stock-in-trade		1,884.01	1,560.96
Change in inventories of finished goods, work-in-progress and stock-in-trade	2.22	(210.43)	22.96
Employee benefits expense	2.23	463.04	419.74
Finance costs	2.24	85.15	109.30
Depreciation and amortisation expense	2.11	94.90	107.00
Other expenses	2.25	1,340.65	1,318.96
Total Expenses		5,375.61	5,299.64
Profit before tax		411.90	257.09
Provision for tax	2.26		
- Current tax		64.46	18.38
- Deferred tax		(2.82)	(8.98)
- Tax adjustments related to earlier years		-	5.76
Profit after tax		350.26	241.93
Earnings per equity share-basic/diluted (Rs.)	5	21.57	14.89
Significant accounting policies and Notes to the Financial Statements	1 to 24		

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

VIJAY AGARWAL
Partner

SAMEET GAMBHIR
Company Secretary

J.K. JAIN
Chief Financial Officer

S.S. BAIJAL
Director
DIN: 00027961

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

New Delhi
May 10, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

DCM SHRIRAM LIMITED

	Year ended March 31, 2016 Rs.Crores	Year ended March 31, 2015 Rs.Crores
A. Cash flow from operating activities		
Net profit before tax	411.90	257.09
Adjustments for :		
Depreciation and amortization expense	94.90	107.00
(Profit) / Loss on sale/write off of fixed assets (net)	(1.01)	(5.59)
Provision for diminution in value of assets	13.74	-
Profit on sale of Textile business	-	(0.24)
Finance costs	85.15	109.30
Less: interest and dividend income	(42.45)	(41.79)
Operating profit before working capital changes	562.23	425.77
Adjustments for :		
Trade receivables	(247.61)	(27.76)
Long term loans and advances	(3.84)	(31.75)
Short term loans and advances	0.96	(6.28)
Other current assets	7.49	23.63
Other non current assets	0.32	1.07
Inventories	(197.78)	15.98
Trade payables	72.52	(193.45)
Long term provisions	9.43	19.68
Short term provisions	2.34	3.95
Other long term liabilities	4.19	1.95
Other current liabilities	(27.90)	9.42
Cash generated from operations	182.35	242.21
Income taxes paid	(79.71)	(56.10)
Net cash from operating activities	102.64	186.11
B. Cash flow from investing activities		
Purchase of fixed assets	(348.67)	(90.60)
Sale of fixed assets	19.79	49.69
Fixed deposits and current account balances with banks (Earmarked)	(0.38)	0.72
Purchase of trade non current investment	(35.84)	-
Sale/(Purchase) of non-trade current investments (net)	-	193.64
Short term Loans and advances to subsidiary companies	(5.90)	(21.19)
Long term Loans and advances to subsidiary companies	(0.10)	(22.03)
Interest received	30.18	26.05
Dividend received	4.76	12.39
Consideration pursuant to sale of PVC compounds business	-	29.50
Consideration pursuant to sale of Textile business	-	17.13
Cash flow from/(used) in investing activities	(336.16)	195.30
C. Cash flow from financing activities		
Buy back of equity shares	-	(5.88)
Repayment of Long term borrowings	(82.47)	(325.16)
Proceeds/(repayment) from/to Short term borrowings (net)	401.67	(88.05)
Changes in working capital borrowings	(2.53)	2.47
Dividends paid	(45.48)	(48.72)
Corporate dividend tax paid	(9.26)	(8.28)
Finance costs paid	(86.59)	(111.52)
Cash Flow from/(used) in financing activities	175.34	(585.14)
Net increase/(decrease) in cash and cash equivalents	(58.18)	(203.73)
Cash and cash equivalents as at opening*		
Cash and cheques in hand and balance with banks	74.06	277.79
Cash and cash equivalents as at closing*		
Cash and cheques in hand and balance with banks	15.88	74.06
* excludes Rs.3.16 Crores (2014-15 - Rs.2.40 Crores) held in dividend/margin money accounts and Rs.11.60 Crores (2014-15 -Rs.6.99 Crores) deposit with bank for specific purposes		

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

VIJAY AGARWAL
Partner

SAMEET GAMBHIR
Company Secretary

J.K. JAIN
Chief Financial Officer

S.S. BAIJAL
Director
DIN: 00027961

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

New Delhi
May 10, 2016

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

1. Significant accounting policies

i. Accounting convention

The financial statements are prepared under the historical cost convention. These statements have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 as applicable.

ii. Fixed assets and depreciation

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

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

Depreciation on all tangible fixed assets except plant and equipments is provided on the basis of useful life prescribed in Schedule II to the Companies Act, 2013. For plant and equipments, depreciation is provided on the basis of useful life/residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advise etc., as given below:

(a) Useful life

Asset	Useful life
Plant and Machinery used in generation, transmission and distribution of power	25-40 years
Plant and Machinery (other than used in generation, transmission and distribution of power)	5-40 years

(b) Residual value

Asset	Residual value
Certain electrical equipments	10%

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

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

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

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

iii. Foreign currency transactions and derivatives

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

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

The exchange differences arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/reported in previous financial statements are recognized as income/expense in the period in which they arise except that the exchange differences arising till the commissioning of fixed assets, relating to borrowed funds and liabilities in foreign currency for acquisition of the fixed assets are adjusted to the cost of fixed assets.

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

iv. Inventories

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

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

By-products are valued at estimated net realisable value.

v. Revenue recognition

- Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with dispatch to customers. Sales include excise duty but exclude sales tax and value added tax.
- Under the retention pricing scheme, the Government of India reimburses to the fertiliser industry, the difference between the retention price based on the cost of production and selling price (as realised from the farmers) as fixed by the Government from time to time, in the form of subsidy. The effect of variation in input costs/expenses on retention price yet to be notified is accounted for by the Company as income for the year based on its assessment of ultimate collection with reasonable degree of certainty at the time of accrual.

vi. Investments

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

vii. Employee benefits

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

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

viii. Research and development

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

ix. Income-tax

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

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

	As at March 31, 2016 Rs.Crores	As at March 31, 2015 Rs.Crores
2.1 SHARE CAPITAL		
Authorised		
29,49,50,000 (2014-15- 29,49,50,000) Equity shares of Rs.2 each with voting rights	58.99	58.99
65,01,000 (2014-15 - 65,01,000) Cumulative redeemable preference shares of Rs.100 each	65.01	65.01
	124.00	124.00
Issued		
16,98,03,320 (2014-15 - 16,98,03,320) Equity shares of Rs.2 each with voting rights	33.96	33.96
Subscribed and fully paid up		
16,24,16,137 (2014-15 - 16,24,16,137) Equity shares of Rs.2 each with voting rights fully called - up	32.48	32.48
Forfeited shares - Amount originally paid up	0.16	0.16
	32.64	32.64

NOTES:

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

	No. of shares	Value (Rs.Crores)
Subscribed and fully paid up Equity Shares:		
As at April 1, 2014	163,206,411	32.64
Less: Equity shares buy back	790,274	0.16
As at March 31, 2015	162,416,137	32.48
As at March 31, 2016	162,416,137	32.48

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

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

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

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

Notes forming part of the financial statements (Continued)

DCM SHRIRAM LIMITED

	As at March 31, 2016 Rs.Crores	As at March 31, 2015 Rs.Crores
2.2 RESERVES AND SURPLUS		
Capital redemption reserve:		
Opening Balance	9.11	8.98
Add: Transferred from share premium on buyback of equity shares	-	0.13
	9.11	9.11
Securities premium account		
Opening Balance	32.67	38.55
Less: Utilisation for buy back of equity shares	-	(5.75)
Less: Transferred to capital redemption reserve on buyback of equity shares	-	(0.13)
	32.67	32.67
General reserve		
Opening Balance	830.14	829.75
Add: Movement related to employees stock purchase scheme	0.16	0.39
	830.30	830.14
Storage fund for molasses account		
Opening Balance	1.16	1.03
Add: Transferred from statement of profit and loss	0.17	0.13
	1.33	1.16
Balance in Statement of Profit and loss		
Opening Balance	951.34	762.48
Less: Adjustment of depreciation	-	(10.92)
Add: Profit during the year	350.26	241.93
Amount available for appropriation	1,301.60	993.49
Appropriations:		
Interim dividend on equity shares	38.98	29.23
Proposed final dividend on equity shares	12.99	6.50
Corporate dividend tax	10.59	6.29
Storage fund for molasses account	0.17	0.13
	1,238.87	951.34
	2,112.28	1,824.42

	As at March 31, 2016 Rs.Crores	As at March 31, 2015 Rs.Crores
NON CURRENT LIABILITIES		
2.3 LONG-TERM BORROWINGS		
Secured		
Term loans		
From banks [Refer note 11(b)]	198.38	96.86
From others [Refer note 11(c)]	29.84	190.25
	228.22	287.11
Unsecured		
Deposits		
Fixed	30.40	13.58
	30.40	13.58
	258.62	300.69
2.4 DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities		
Depreciation	221.86	211.94
	221.86	211.94
Deferred tax assets		
Provision for gratuity and compensated absences	57.82	53.38
Provision for doubtful debts and advances	4.72	5.50
Others	33.32	24.24
	95.86	83.12
	126.00	128.82
2.5 OTHER LONG-TERM LIABILITIES		
Interest accrued but not due on loans and deposits	6.27	7.47
Security deposits	33.19	29.00
	39.46	36.47
2.6 LONG-TERM PROVISIONS		
Provision for employee benefits		
Gratuity	83.01	76.61
Compensated absences	56.13	52.03
Other benefits	4.80	5.87
Provision for contingencies (Refer note 17)	20.74	12.09
	164.68	146.60
	588.76	612.58

Notes forming part of the financial statements (Continued)

DCM SHRIRAM LIMITED

	As at March 31, 2016 Rs.Crores	As at March 31, 2015 Rs.Crores
CURRENT LIABILITIES		
2.7 SHORT-TERM BORROWINGS		
Secured [Refer note 11(a)]		
Loans repayable on demand from banks	98.74	101.27
Other loans from banks	321.69	196.53
	420.43	297.80
Unsecured		
Loans repayable on demand - other than banks	2.00	2.00
Other loans from banks	299.46	22.95
Loan from subsidiary company (Refer note 9)	1.45	1.45
	302.91	26.40
	723.34	324.20
2.8 TRADE PAYABLES		
Total outstanding dues to micro and small enterprise (Refer note 6)	1.14	3.26
Total outstanding dues of other than micro and small enterprise	1,147.15	1,072.51
	1,148.29	1,075.77
2.9 OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Secured)		
From banks [Refer note 11(b)]	62.01	41.67
From others [Refer note 11(c)]	16.88	77.12
Current maturities of long-term debt (Unsecured)		
From others (Refer note 14)	0.07	0.57
Interest accrued but not due on borrowings and liabilities	5.09	5.33
Advances received from customers	179.12	187.16
Unpaid dividends	2.82	2.13
Unpaid matured deposits and interest accrued thereon	0.13	0.06
Unpaid interest accrued on debentures	0.21	0.21
Statutory levies	122.28	94.39
Others liabilities (includes liabilities against purchase of capital goods Rs.85.02 Crores; previous year Rs.3.23 Crores)	93.36	33.25
	481.97	441.89
2.10 SHORT-TERM PROVISIONS		
Provision for employee benefits		
Gratuity	14.33	14.43
Compensated absences	13.59	11.17
Other benefits	0.71	0.69
Proposed dividend [Rs.0.80 (previous year: Rs.0.40) per equity share]	12.99	6.50
Corporate dividend tax	2.65	1.32
	44.27	34.11
	2,397.87	1,875.97

Notes forming part of the financial statements (Continued)

DCM SHRIRAM LIMITED

NON-CURRENT ASSETS

2.11 FIXED ASSETS

Rs.Crores											
Description	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK		
	As at March 31, 2015	Additions	Deductions	As at March 31, 2016	Up to March 31, 2015	adjustment#	For the year	On deductions	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangibles											
Land - Freehold ®	67.50	0.50		68.00	-	-	-	-	-	68.00	67.50
- Leasehold	17.34	-	-	17.34	-	-	-	-	-	17.34	17.34
Buildings	245.12	12.98	-	258.10	68.60	-	8.09	-	76.69	181.41	176.52
Leasehold improvements	9.61	0.14	-	9.75	1.79	-	1.24	-	3.03	6.72	7.82
Plant and equipment	2,322.42	58.06	7.71	2,372.77	1,283.77	-	69.99	6.06	1,347.70	1,025.07	1,038.65
Furniture and Fixtures	19.46	1.04	0.18	20.32	13.99	-	1.64	0.16	15.47	4.85	5.47
Vehicles	47.70	10.96	5.57	53.09	24.23	-	8.69	4.34	28.58	24.51	23.47
Office equipment	24.48	2.90	1.04	26.34	18.99	-	2.98	0.99	20.98	5.36	5.49
Sub total (This year)	2,753.63	86.58	14.50	2,825.71	1,411.37	-	92.63	11.55	1,492.45	1,333.26	
Previous year	2,736.83	77.83	61.03	2,753.63	1,326.52	16.54	105.13	36.82	1,411.37		1,342.26
Intangibles											
Technical Know how	8.71	-	-	8.71	8.19	-	0.52	-	8.71	-	0.52
Computer Software	9.97	25.10	0.02	35.05	6.62	-	1.75	0.02	8.35	26.70	3.35
Sub total (This year)	18.68	25.10	0.02	43.76	14.81	-	2.27	0.02	17.06	26.70	
Previous year	16.94	1.78	0.04	18.68	12.96	-	1.87	0.02	14.81		3.87
Total This year	2,772.31	111.68	14.52	2,869.47	1,426.18	-	94.90	11.57	1,509.51	1,359.96	
Total Previous year	2,753.77	79.61	61.07	2,772.31	1,339.48	16.54	107.00	36.84	1,426.18		1,346.13
Capital work in progress (Refer note 8)**@										326.14	27.85
Intangible assets under development										0.03	2.70
										1,686.13	1,376.68

Adjusted from retained earnings (net off deferred tax Rs.5.62 Crores) pursuant to Schedule II of Companies Act 2013.

@ Includes Rs.15.31 crore (2014-15 - Rs.16.79 crore) pertaining to land pending registration in favour of the Company.

** Includes Rs.6.14 Crores (2014-15 - Rs.Nil) borrowing cost incurred during the year.

	As at March 31, 2016 Rs.Crores	As at March 31, 2015 Rs.Crores
2.12 NON-CURRENT INVESTMENTS		
(valued at cost unless there is permanent fall in value thereof)		
(a) TRADE INVESTMENTS		
Investment in Equity Instruments		
- Subsidiaries		
Unquoted		
11,74,551 (2014-15 - 11,74,551) Equity shares of US \$ 1 each fully paid-up of Bioseeds Limited.	14.41	14.41
10,00,000 (2014-15 - 10,00,000) Equity shares of Rs.10 each fully paid up of Hariyali Rural Ventures Limited	1.00	1.00
50,000 (2014-15 - 50,000) Equity shares of Rs.10 each fully paid up of Fenesta India Limited	0.05	0.05
40,50,000 (2014-15- 40,50,000) Equity shares of Rs.10 each fully paid up of Shriram Bioseed Ventures Limited	20.05	20.05
94,475 (2014-15- Nil) Class A Equity shares of USD 1 each fully paid of Bioseed Holding PTE Limited, subscribed during the year	0.60	-

Notes forming part of the financial statements (Continued)

DCM SHRIRAM LIMITED

	As at March 31, 2016 Rs.Crores	As at March 31, 2015 Rs.Crores
52,50,000 (2014-15- Nil) Class B Equity shares of USD 1 each fully paid of Bioseed Holding PTE Limited, subscribed during the year	34.84	-
17,50,280 (2014-15- 17,50,280) Equity shares of Rs.10 each fully paid up of Shri Ganpati Fertilizer Limited # (Re. 1)	#	#
	70.95	35.51
- Others		
Unquoted		
11,32,134 (2014-15 - 11,32,134) Equity shares of Rs.10 each fully paid up of Narmada Clean Tech Ltd	1.13	1.13
(b) OTHER INVESTMENTS		
(i) Investment in Equity Instruments		
- Subsidiaries		
Unquoted		
60,01,208 (2014-15 - 60,01,208) Equity shares of Rs.10 each fully paid-up of DCM Shriram Credit and Investments Limited	0.22	0.22
83,51,207 (2014-15 - 83,51,207) Equity shares of Rs.10 each fully paid-up of DCM Shriram Aqua Foods Limited	4.22	4.22
50,000 (2014-15 - 50,000) Equity shares of Rs.10 each fully paid up of Shridhar Shriram Foundation	0.05	0.05
50,007 (2014-15 - 50,007) Equity shares of Rs.10 each fully paid up of Bioseed India Limited	0.05	0.05
Nil (2014-15 - 5,00,000) Equity shares of Rs.10 each fully paid up of Hariyali Services Limited	-	0.50
Less: Provision for diminution in value of investment	-	(0.50)
	4.54	4.54
- Joint Venture		
Unquoted		
17,32,500 (2014-15 - 17,32,500**) Equity shares of Rs.10 each fully paid up of Shriram Axiall Private Limited	3.42	3.42
(ii) Investment in Preference shares		
Unquoted		
10,00,000 (2014-15 - Nil) 0.01% redeemable cumulative preference shares of Rs.10 each, Rs.4 partly paid up of DCM Shriram Infrastructure Limited, subscribed during the year	0.40	-
(iii) Investment in Government securities		
Unquoted		
National savings certificates	0.07	0.08
TOTAL:	80.51	44.68
Aggregate book value:		
- Unquoted	80.51	44.68
Aggregate provision for diminution in value of investments	-	0.50

**Refer Note 15

Notes forming part of the financial statements (Continued)

DCM SHRIRAM LIMITED

	As at March 31, 2016 Rs.Crores	As at March 31, 2015 Rs.Crores
2.13 LONG-TERM LOANS AND ADVANCES (Unsecured considered good unless otherwise stated)		
Capital advances	55.96	5.80
Security deposits	41.34	37.48
Loans and advances to subsidiary companies (Refer note 7)	126.96	126.86
Employee loans and advances	8.18	8.18
MAT credit entitlement	126.58	101.15
Others loans and advances #	34.51	34.53
	393.53	314.00
2.14 OTHER NON-CURRENT ASSETS		
Long-term trade receivables		
Unsecured considered good	2.41	2.73
Fixed Deposits with banks (Earmarked)	2.83	7.82
	5.24	10.55
# includes amount deposited with Government authorities		
CURRENT ASSETS		
2.15 INVENTORIES *		
Raw materials	28.29	23.73
Work-in-progress	17.19	21.61
Finished goods	998.22	803.90
Stock-in-trade	101.07	80.54
Stores and spares (includes goods in transit Rs.22.91 Crores; Previous year Rs Nil)	132.81	150.02
	1,277.58	1,079.80
2.16 TRADE RECEIVABLES **		
Outstanding for a period exceeding six months from due date for payment		
Secured - considered good	0.03	0.01
Unsecured - considered good	244.49	203.34
- considered doubtful	12.79	14.70
	257.31	218.05
Less: Provision for doubtful receivables	12.79	14.70
	244.52	203.35
Others		
Secured - considered good	1.19	0.68
Unsecured - considered good	1,009.29	803.36
	1,255.00	1,007.39
2.17 CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks on		
-current accounts @	18.71	75.84
-deposit accounts #	8.76	4.13
Cheques on hand	0.11	0.18
Cash on hand	0.22	0.44
Other bank balances		
-deposit accounts #	2.84	2.86
	30.64	83.45

Notes forming part of the financial statements (Continued)

DCM SHRIRAM LIMITED

	As at March 31, 2016 Rs.Crores	As at March 31, 2015 Rs.Crores
2.18 SHORT-TERM LOANS AND ADVANCES		
(Unsecured Considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	141.66	164.54
Considered doubtful	0.84	1.20
	142.50	165.74
Less: Provision for doubtful advances	0.84	1.20
	141.66	164.54
Loans and advances to subsidiary companies (Refer note 7)		
Considered good	39.86	33.96
Considered doubtful	24.15	21.88
	64.01	55.84
Less: Provision for doubtful advances	24.15	21.88
	39.86	33.96
Employee loans and advances	5.72	5.23
Deposits (Refer note 7)	16.70	18.69
Balances with customs, excise etc.	34.14	10.72
Tax payments (net of provision of current tax)	6.43	16.61
	244.51	249.75
2.19 OTHER CURRENT ASSETS		
(Unsecured Considered good unless otherwise stated)		
Other receivables		
Considered good	11.70	15.14
Unbilled revenue	4.71	8.76
Interest accrued on investments, deposits etc.	15.63	8.12
Fixed assets held for sale	126.37	147.29
	158.41	179.31
	2,966.14	2,599.70

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

** includes Rs.0.74 Crores (2014-15 - Rs.3.08 Crores) due from private companies in which any director is a director and refer note 3

@ Includes Rs.3.16 Crores (2014-15 - Rs.2.40 Crores) balances with banks earmarked for unpaid dividends, debenture interest, margin money etc.

Represents Rs.11.60 Crores (2014-15; Rs.6.99 Crores) Earmarked for specific purposes

Notes forming part of the financial statements (Continued)

DCM SHRIRAM LIMITED

	Year ended March 31, 2016 Rs.Crores	Year ended March 31, 2015 Rs.Crores
2.20 OTHER OPERATING REVENUES		
Rent	0.47	0.48
Liabilities/provisions no longer required written back	24.59	11.78
Scrap sale and other miscellaneous income	18.72	18.46
	43.78	30.72
2.21 OTHER INCOME		
Interest income	37.69	29.40
Dividend income on unquoted current investments	4.76	12.39
Profit on sale of fixed assets (net)	1.01	5.59
Rent	4.75	4.73
Profit on sale of Textile business	-	0.24
Miscellaneous income	3.86	4.22
	52.07	56.57
2.22 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Closing stock	1,116.48	906.05
Opening stock	906.05	929.44
Less: Stock transferred pursuant to slump sale of Textile business	- 906.05	0.43 929.01
	(210.43)	22.96
2.23 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, bonus, gratuity, commission, etc.	413.20	365.45
Expense on Employee stock purchase scheme	2.43	2.17
Contribution to Provident and other funds	26.92	25.09
Staff welfare expenses	20.49	27.03
	463.04	419.74
2.24 FINANCE COSTS		
Interest expenses	40.99	52.81
Other borrowing costs	3.63	1.77
Net loss on foreign currency transactions and translation	40.53	54.72
	85.15	109.30

Notes forming part of the financial statements (Continued)

DCM SHRIRAM LIMITED

	Year ended March 31, 2016 Rs.Crores	Year ended March 31, 2015 Rs.Crores
2.25 OTHER EXPENSES		
Consumption of stores and spare parts	190.43	214.33
Power, fuel etc.	672.99	673.22
Rent	21.89	20.88
Repairs		
Buildings	11.70	11.28
Plant and machinery	30.01	27.57
Donation	0.10	0.36
Insurance	7.88	7.92
Rates and taxes	2.00	2.95
Auditors' remuneration		
Audit fee	1.00	0.84
Tax audit	0.14	0.11
Limited reviews	0.48	0.45
Other certification services*	1.08	0.89
Out-of-pocket expenses	0.05	0.04
Directors' fees	0.33	0.15
Bad debts and advances written off #	4.18	2.11
Less: adjusted against provision for doubtful debts and advances	(2.95)	(1.18)
Provision for doubtful debts and advances ##	3.24	2.75
Freight and transport	57.15	55.17
Commission to selling agents	5.03	4.61
Brokerage, discounts (other than trade discounts), etc.	12.07	5.50
Selling expenses	89.10	79.31
Exchange fluctuation	5.66	9.34
Royalty	67.10	74.97
Provision for diminution in value of assets	13.74	-
Increase in excise duty on finished goods	27.42	4.53
Corporate social responsibility	5.03	3.19
Miscellaneous expenses	115.75	117.70
	1,342.60	1,318.99
Less:- Cost of own manufactured goods capitalised	(1.95)	(0.03)
	1,340.65	1,318.96

* Includes service tax

includes Rs.Nil Crores (2014-15: Rs.0.87 Crores) in respect of a subsidiary company

includes Rs.2.27 Crores (2014-15: Rs.2.38 Crores) in respect of advance given to a subsidiary company

2.26 PROVISION FOR TAX

Current tax	89.89	51.91
Less:- MAT credit entitlement	(25.43)	(33.53)
Deferred Tax	(2.82)	(8.98)
Tax adjustments related to earlier years:		
- Current tax written back	-	(15.85)
- Provision for MAT credit entitlement	-	21.61
	61.64	15.16

	This Year Rs.Crores	Previous Year Rs.Crores
2.27 (i) Contingent liabilities not provided for:		
Claims* (excluding claims by employees where amount not ascertainable) not acknowledged as debts:		
Sales tax matters	1.33	1.33
Service tax matters	31.66	31.66
Additional premium on land	8.11	8.11
Others	5.80	5.93
Total	46.90	47.03
*All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of management the legal proceedings, when ultimately concluded, will not have a material effect on results of operations or financial position of the Company.		
(ii) Capital commitments (net of advances)	314.54	60.34
Uncalled liability on partly paid shares	0.60	-

3. In accordance with past practice, the Company has taken revenue credits aggregating Rs.8.58 Crores (2014-15 - Rs.123.83 Crores) for urea subsidy claims, which are pending notification/ final acceptance by 'Fertiliser Industry Coordination Committee' (FICC), Government of India, in pursuance of the Retention Price Scheme administered for nitrogenous fertilisers. Necessary adjustments to revenue credits so accrued will be made on issuance of notification by FICC, Government of India.

4. Segment reporting

A. Business segments:

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting", the Company's business segments include: Fertilisers (manufacturing of urea), Chloro-Vinyl (manufacturing of poly-vinyl chloride, carbide and chlor alkali products), Shriram Farm Solutions (trading of di-ammonium phosphate, muriate of potash, super phosphate, other fertilisers, seeds and pesticides), Sugar (manufacturing of sugar products and co-generation of Power), Bioseed (production of hybrid seeds), Others (UPVC window systems, Cement, Rural retail and plaster of paris). Sale of power from the power generation facilities set up for the business segments is included in their respective results.

B. Geographical segments:

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

C. Segment accounting policies:

In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses:

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

b) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred

Notes forming part of the financial statements (Continued)

DCM SHRIRAM LIMITED

income taxes. While most of the assets/ liabilities can be directly attributed to individual segment, the carrying amount of certain assets/ liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

c) Inter segment sales:

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

d) Information about business segments

Rs./Crores																
PARTICULARS	Chloro-Vinyl		Sugar		Shriram Farm Solutions		Bioseed		Fertiliser		Others		Elimination		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
1. REVENUE																
External sales (Gross)	1354.44	1374.65	942.78	1062.23	1797.80	1416.06	277.43	295.03	793.98	725.07	774.75	834.21			5941.18	5707.25
Other Operating Income	5.92	8.15	25.37	13.20	0.26	0.07	1.51	1.72	6.39	3.40	4.33	4.18			43.78	30.72
Inter segment sales	18.59	16.35			0.23	0.69	159.76	187.64			1.86	0.44	180.44	205.12		
Total revenue	1378.95	1399.15	968.15	1075.43	1798.29	1416.82	438.70	484.39	800.37	728.47	780.94	838.83	180.44	205.12	5,984.96	5,737.97
2. RESULTS																
Segment results	350.33	317.13	87.91	(68.45)	71.35	87.09	46.53	53.95	31.10	37.46	2.05	(3.97)			589.27	423.21
Unallocated expenses (net of income)															92.22	56.82
Operating profit/(loss)	350.33	317.13	87.91	(68.45)	71.35	87.09	46.53	53.95	31.10	37.46	2.05	(3.97)			497.05	366.39
Interest expense and finance cost															85.15	109.30
Profit before tax															411.90	257.09
Provision for taxation																
-Current/deferred tax															61.64	9.40
-Tax adjustments related to earlier years															-	5.76
Net profit															350.26	241.93
3. OTHER INFORMATION																
A. ASSETS																
Segment assets	1053.34	692.15	1399.82	1226.17	708.85	566.17	524.44	509.60	610.75	529.30	314.35	334.11			4611.55	3857.50
Unallocated assets															520.00	488.11
Total assets	1053.34	692.15	1399.82	1226.17	708.85	566.17	524.44	509.60	610.75	529.30	314.35	334.11			5,131.55	4,345.61
B. LIABILITIES																
Segment liabilities	290.53	195.60	361.71	441.26	498.46	417.85	320.67	264.74	91.91	87.51	139.01	118.53			1702.29	1525.49
Share capital and reserves															2,144.92	1,857.06
Secured and unsecured loans															1,061.26	744.52
Unallocated liabilities															223.08	218.54
Total liabilities	290.53	195.60	361.71	441.26	498.46	417.85	320.67	264.74	91.91	87.51	139.01	118.53			5,131.55	4,345.61
C. OTHERS																
Capital expenditure	327.03	25.84	21.85	13.26	1.29	-	2.90	1.57	18.13	18.90	14.62	25.67				
Depreciation	41.78	42.04	25.14	36.99	0.01	-	2.75	2.95	9.20	8.50	11.72	12.07				
Non cash expenses other than depreciation	0.02	0.14			3.39	2.42	0.54	1.10	-	-	0.19	0.01				

5. Earnings per share:

	This year	Previous year
Profit after tax (Rs.Crores)	350.26	241.93
Weighted average number of equity shares outstanding	1,62,416,137	1,62,468,409
Basic and diluted earnings per share in rupees (face value – Rs.2 per share) :	21.57	14.89

6. Based on the information available with the Company, the principal amount and interest due to Micro and Small Enterprise as defined under the "The Micro, Small and Medium Enterprises Development Act, 2006" is Rs.1.14 Crores (2014-15 - Rs.3.25 Crores) and Rs.Nil (2014-15 – Rs.0.01 crore) respectively.

Notes forming part of the financial statements (Continued)

DCM SHRIRAM LIMITED

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

Rs.Crores

Name of the party	Amount outstanding as at year end		Maximum amount outstanding during the year	
	This year	Previous year	This year	Previous year
DCM Shriram Credit and Investments Limited	5.43	5.34	5.44	5.90
DCM Shriram Infrastructure Limited #	31.50	31.40	31.53	31.40
Shriram Bioseed Ventures Limited #	109.84	107.42	109.86	107.42
Shri Ganpati Fertilizers Limited #	33.39	34.62	35.13	37.25
Hariyali Rural Ventures Limited #	11.13*	15.58*	15.58	19.90
DCM Shriram Foundation	0.01	0.01	0.02	0.01
DCM Shriram Energy and Infrastructure Limited	-	-	-	0.01
Hariyali Services Limited	-	-	-	0.22
DCM Shriram Thermal Energy Limited	-	-	-	0.01
DCM Shriram Hydro Energy Limited	-	-	-	0.01
Bioseeds Limited #	10.24	3.45	38.30	3.45
Bioseed Vietnam Limited	0.23	0.23	0.23	0.23
Bioseed Research Philippines Inc.	0.23	0.23	0.23	0.23
Total	202.00	198.28		

* includes security deposit Rs.11.03 Crores (previous year Rs 15.58 Crores)

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

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

Rs.Crores

Particulars	This year	Previous year
Finance cost (including interest, exchange fluctuation etc.)	7.08	-
Salaries, wages etc.	1.74	-
Insurance	0.65	-
Power, fuel etc.	0.18	-
Miscellaneous expenses	1.52	-
	11.17	-
Add: Brought forward from the previous year	7.97	7.97
Total	19.14	7.97
Less: Written off during the year	(7.97)	-
Transferred to capital work-in-progress	11.17	7.97

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

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

Holding company: Sumant Investments Private Limited

1. Subsidiaries:

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

*merged with Bioseed Limited w.e.f. April 22, 2015

#dissolved during financial year 2014-15

application filed with Registrar of Companies to strike off the name from its records. Approval is pending.

2. Joint Venture:

Shriram Axial Private Limited

3. Key Managerial Persons, their relatives and HUFs:

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

* (w.e.f. 02.07.2014)

4. Trust

Sir Shriram Foundation

Notes forming part of the financial statements (Continued)

DCM SHRIRAM LIMITED

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

Rs Crores																						
TYPE OF TRANSACTIONS	DCM Shriram Credit and Investments Ltd.	DCM Shriram Aqua Foods Ltd.	DCM Shriram Infrastructure Ltd.	*Shriram Bioseed Ventures Ltd*	Harjyal Rural Ventures Ltd	Shri Gayatri Fertilizers Ltd	Forests India Ltd.	DCM Shriram Hydro Energy Ltd	DCM Shriram Energy and Infrastructure Ltd	DCM Shriram Thermal Energy Ltd	Harjyal Services Limited	Bioseeds Limited	Bioseed Holding PTE Limited	Bioseed Vietnam Ltd	Bioseed Research Philippines Ltd	PT Shriram Seed Indonesia	Shriram Aerial Pvt Limited *	Sr Shriram Foundation	DCM Shriram Foundation	Sumant Investments Private Limited	Key managerial personnel their relatives and their HUF	Total
Sale of finished goods						0.03	50.75							6.25	0.52		18.94				0.03	76.52
						-	(44.17)							(4.65)	(0.27)		(27.64)				(0.41)	(77.14)
Interest income	0.54		0.06	9.56	#	2.51						1.15										13.82
	(0.53)		(0.02)	(3.39)	-	(2.58)						(0.02)										(6.54)
Interest expenses		0.14																				0.14
		(0.13)																				(0.13)
Contribution for CSR activities																		0.80				0.80
																		(0.80)				(0.80)
Common services expenses recovered																	0.96					0.96
																	(0.96)					(0.96)
Supply of water, power and steam																	2.11					2.11
																	(1.61)					(1.61)
Purchases of finished goods						26.12											0.07					26.19
						(18.70)											(0.06)					(18.76)
Sale of Fixed Assets																	-					-
																	(5.15)					(5.15)
Rent paid																					4.29	4.29
																					(4.29)	(4.29)
Security deposits received back					4.55																	4.55
					(4.32)																	(4.32)
Remuneration																					18.41	18.41
																					(13.53)	(13.53)
Dividend paid																				27.52	0.90	28.42
																			(29.48)	(0.97)	(30.45)	
Loans and advances given (net)			0.10	2.42	0.10	1.23	-					6.80										10.65
			(0.62)	(33.38)	-	-	(@)					(3.45)										(37.45)
Loans and advances received back (net)	0.40						-	-	-	-								-				0.40
	(0.56)						(@@@)	(0.01)	(0.01)	(0.12)								(0.01)				(0.71)
Loans taken		-																				-
		(0.14)																				(0.14)
Provision for doubtful debts / advances						2.27																2.27
						(2.38)																(2.38)
Bad debts / advances written off							-							-								-
							(##)							(0.87)								(0.87)
Reimbursement of Expenses														-	-							-
														(0.23)	(0.23)							(0.46)
Investment in share capital			0.40										35.44									35.84
													(-)									
Balance outstanding as at the year end														-	-							-
Security deposits receivable					11.03																8.34	19.37
					(15.58)																(8.34)	(23.92)
Loans and advances receivable	5.43		31.50	109.84	0.10	33.39**						10.24		0.23	0.23				0.01			190.97
	(5.34)		(31.40)	(107.42)	-	(34.62)						(3.45)		(0.23)	(0.23)			(0.01)				(182.70)
Loan payable		1.45																				1.45
		(1.45)																				(1.45)
Interest receivable			0.08	14.74								0.03										14.85
			(0.02)	(6.13)								(0.02)										(6.17)
Trade receivable														15.20	5.94	-	0.74					21.88
														(13.94)	(5.10)	(1.34)	(3.08)					(23.46)
Interest payable		0.23																				0.23
		(0.25)																				(0.25)
Trade payable						0.02	7.14															7.16
						(0.02)	(3.65)															(3.67)
Commission Payable																					7.82	7.82
																					(4.75)	(4.75)

Figures in bracket denotes previous year figures

Rs.20,410 (2014-15 Rs.Nil)

Rs.Nil (2014-15 Rs.50,000)

** includes provision for doubtful advances Rs 24.15 Crores (2014-15 - Rs 21.88 Crores)

@ Rs.Nil (2014-15 Rs.10,000 (Rs.50,000 written off))

@@ Rs.Nil (2014-15 Rs.10,000)

* Joint Venture

Notes forming part of the financial statements (Continued)

DCM SHRIRAM LIMITED

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

Nature of the transaction	Name	Rs.Crores	
		This year	Previous year
Rent paid	M/s. Ajay S. Shriram (HUF)	1.47	1.47
	M/s. Vikram S. Shriram (HUF)	1.31	1.31
	M/s. Ajit S. Shriram (HUF)	1.31	1.31
	Relatives of Key management personnel	0.20	0.20
		4.29	4.29
Remuneration (including Commission)	Mr. Ajay S. Shriram	5.35	4.06
	Mr. Vikram S. Shriram	5.17	3.89
	Mr. Ajit S. Shriram	4.48	3.27
	Mr. K. K. Kaul	1.79	1.20
	Mr. N.J Singh	0.74	0.66
	Relatives of Key management personnel	0.88	0.45
		18.41	13.53

10. Employee Benefits

The Company has classified the various benefits provided to employees as under:-

i) Defined contribution plans:

The Company has recognized the following amounts in the statement of profit and loss:

	Rs.Crores	
	This Year	Previous Year
- Employers' contribution to provident fund	19.58	18.09
- Employers' contribution to superannuation fund	7.34	7.00
- Employers' contribution to employees' state insurance corporation	0.19	0.26

ii) Defined benefit plans:

- Gratuity
- Compensated absences – Earned leave/ sick leave

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

	Rs.Crores					
	Gratuity (Partially funded)		Compensated absences			
			Earned leave (Unfunded)		Sick leave (Unfunded)	
	This Year	Previous Year	This Year	Previous year	This Year	Previous year
Discount rate (per annum)	8%	8%	8%	8%	8%	8%
Future salary increase	7%	7%	7%	7%	7%	7%
Expected rate of return on plan assets	8.75%	8.75%	-	-	-	-
In service mortality	*	*	*	*	*	*
Retirement age	58/60 years	58/60 years	58/60 years	58/60 years	58/60 years	58/60 years
Withdrawal rates:						
- upto 30 years	3%	3%	3%	3%	3%	3%
- upto 44 years	2%	2%	2%	2%	2%	2%
- above 44 years	1%	1%	1%	1%	1%	1%
I. Expense recognised in statement of profit and loss						
Current service cost	6.33	6.09	4.93	4.31	2.40	2.40
Interest cost	7.09	6.93	2.98	2.59	1.86	1.70
Expected return on plan assets	(0.19)	(0.16)	-	-	-	-
Net actuarial(gain) / loss recognised in the year	2.25	2.85	2.76	2.50	(3.42)	(1.96)
Total expense	15.48	15.71	10.67	9.40	0.84	2.14
II. Net asset/(liability) recognised in the balance sheet						
Present value of Defined benefit obligation	99.83	93.10	45.48	39.80	24.24	23.40
Fair value of plan assets	2.49	2.06	-	-	-	-
Funded status [(deficit)]	(97.34)	(91.04)	(45.48)	(39.80)	(24.24)	(23.40)
Net asset/(liability)	(97.34)	(91.04)	(45.48)	(39.80)	(24.24)	(23.40)
Non-current liability	(83.01)	(76.61)	(39.35)	(34.65)	(16.78)	(17.38)
Current liability	(14.33)	(14.43)	(6.13)	(5.15)	(7.46)	(6.02)
III. Change in the present value of obligation during the year						
Present value of obligation as at the beginning of the year	93.10	83.72	39.80	34.28	23.40	21.31
Interest cost	7.09	6.93	2.98	2.59	1.86	1.70
Current service cost	6.33	6.09	4.93	4.31	2.40	2.40
Benefits paid	(8.94)	(5.75)	(4.99)	(3.67)	-	-
Actuarial (gains) / losses on obligation	2.25	2.85	2.76	2.50	(3.42)	(1.96)
Transfer of Textile unit liability pursuant to slump sale	-	(0.74)	-	(0.21)	-	(0.05)
Present value of obligation as at the end of the year	99.83	93.10	45.48	39.80	24.24	23.40

Notes forming part of the financial statements (Continued)

DCM SHRIRAM LIMITED

Rs.Crores

	Gratuity (Partially funded)		Compensated absences			
			Earned leave (Unfunded)		Sick leave (Unfunded)	
	This Year	Previous Year	This Year	Previous year	This Year	Previous year
IV. Change in the fair value of assets during the year						
Fair value of plan assets at the beginning of the year	2.06	1.84	-	-	-	-
Expected return on plan assets	0.19	0.16	-	-	-	-
Employer contribution	0.39	0.28	-	-	-	-
Actual benefits paid	(0.14)	(0.23)	-	-	-	-
Actuarial gain/(loss) on plan assets	(0.01)	0.01	-	-	-	-
Fair value of plan assets at the end of the year	2.49	2.06	-	-	-	-
Actual return on plan assets	0.18	0.17	-	-	-	-
V. Expected contribution to the fund in the next year	0.57	0.28	-	-	-	-

* IALM (2006-08) duly modified

Note:

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

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

Rs.Crores

Particulars	2015-16			2014-15			2013-14			2012-13			2011-12		
	Gratuity	Earned leave	Sick leave	Gratuity	Earned leave	Sick leave	Gratuity	Earned leave	Sick leave	Gratuity	Earned leave	Sick leave	Gratuity	Earned leave	Sick leave
Present value of obligation as at the end of the year	99.83	45.48	24.24	93.10	39.80	23.40	83.72	34.28	21.31	74.49	30.05	18.90	69.03	27.95	17.61
Fair value of plan assets at the end of the year	2.49	-	-	2.06	-	-	1.84	-	-	0.95	-	-	0.63	-	-
Surplus / Defecit in plan assets	97.34	45.48	24.24	91.04	39.80	23.40	(81.88)	(34.28)	(21.31)	(73.54)	(30.05)	(18.90)	(68.40)	(27.95)	(17.61)
Experience adjustment on plan assets [Gain / (loss)]	(0.01)	-	-	0.01	-	-	0.05	-	-	-	-	-	-	-	-
Experience adjustment on plan liabilities [(Gain) / loss]	2.25	2.76	(3.42)	2.85	2.50	(1.96)	3.57	1.96	(1.27)	2.75	0.71	(1.35)	3.42	1.67	(1.16)

11. Secured loan

a.	Short term working capital borrowings from banks:
1.	Loans from banks on cash credit account of Rs.96.24 Crores (2014-15 – Rs.101.27 Crores) are secured by first pari passu charge on whole of the current assets, both present and future, of the company (except Shriram Bioseed Genetics, Hyderabad and Bioseed Research India , Hyderabad). These loans are further secured by a third charge by way of mortgage/hypothecation of all the immovable/movable properties (other than current assets) of the Company's undertakings at Kota in Rajasthan and Ajbapur, Rupapur, Loni and Hariawan in Uttar Pradesh. Amount of Rs.2.50 Crores (2014-15 –Rs.Nil) is secured by exclusive charge by way of hypothecation on current assets and mortgage/hypothecation on the immovable and movable properties, both present and future of the Company's undertakings at Shriram Bioseed Genetics, Hyderabad.
2.	Short Term Loans of Rs.321.69 Crores (2014-15 - Rs.196.53 Crores) are secured by first pari passu charge on whole of the current assets, both present and future, of the Company (except Shriram Bioseed Genetics, Hyderabad and Bioseed Research India, Hyderabad), and a third charge by way of mortgage/hypothecation of all the immovable/movable properties (other than current assets) of the Company's undertakings at Kota in Rajasthan and Ajbapur, Rupapur, Loni and Hariawan in Uttar Pradesh.

Notes forming part of the financial statements (Continued)

DCM SHRIRAM LIMITED

b. Long term borrowings from banks:		
	Nature of Security	Terms of Repayment
1.	Term Loan of Rs.Nil (2014-15 -Rs.31.25 Crores) is secured by way of first pari -passu mortgage/charge created on immovable /movable fixed assets, both present and future, of the company's undertaking at Loni Sugar Complex, Uttar Pradesh and Rs.Nil (2014-15- Rs.10.42 Crores) is secured by way of first charge created on movable fixed assets, both present and future, of the company's undertaking at Rupapur Sugar Complex, Uttar Pradesh (Rs.Nil due within 1 year; 2014-15- Rs.41.67 Crores)	-
2.	Term loan of Rs.96.86 Crores (2014-15 – Rs.96.86 Crores) is secured by way of second pari passu charge created on all the current assets, both present and future, of the Company (except Shriram Bioseed Genetics, Hyderabad and Bioseed Research India, Hyderabad) and by way of third pari passu mortgage / charge created on immovable/movable fixed assets, both present and future, of sugar units of the Company located at Ajbapur, Rupapur, Hariawan and Loni. (Rs.32.29 Crores due within 1 year; 2014-15- Rs.Nil)	- Rs.96.86 Crores repayable in 36 equal monthly installments commencing from April 2016.
3.	Term loan of Rs.163.53 Crores (2014-15- Rs.Nil) is secured by way of first pari passu mortgage/charge created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Kota, Rajasthan (Rs.29.72 Crores due within 1 year; 2014-15-Rs.Nil)	- Rs.163.53 Crores repayable in 11 equal semi annual Installments
c. Long term loans from others:		
1.	Term loan of Rs.Nil (2014-15- Rs.192.31 Crores) is secured by way of first pari passu mortgage/charge created on immovable and movable assets (excluding current assets), both present and future and a second charge ranking pari passu on the current assets, both present and future, of the Company's undertakings at Kota, Rajasthan and Jhagadia, Distt Bharuch in equal proportion (Rs.Nil due within 1 year; 2014-15-Rs.48.08 Crores)	-
2.	Term loan of Rs.Nil (2014-15- Rs 12.50 Crores) is secured by way of first pari passu mortgage/charge created on immovable and movable assets (excluding current assets), both present and future and a second charge ranking pari passu on the current assets, both present and future, of the Company's undertakings at Kota, Rajasthan (Rs.Nil due within 1 year; 2014-15-Rs.12.50 Crores)	-
3.	Term loan of Rs.2.92 Crores (2014-15– Rs.8.25 Crores) is secured by way of first pari passu mortgage/ charge created on immovable/movable assets (excluding current assets), both present and future and a second charge ranking pari passu on the current assets, both present and future, pertaining to the Company's Hariawan Sugar Complex, Uttar Pradesh (Rs.2.92 Crores due within 1 year; 2014-15-Rs.5.49 Crores)	- Rs.2.92 Crores repayable in 1 semi-annual installment
4.	Term loan of Rs.15.98 Crores (2014-15- Rs.21.30 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts), both present and future, pertaining to the Company's Ajbapur Sugar Complex, Uttar Pradesh (Rs.5.33 Crores due within 1 year; 2014-15- Rs.5.33 Crores)	- Rs.15.98 Crores repayable in 3 equal annual installments
5.	Term loan of Rs.3.28 Crores (2014-15– Rs.6.56 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts), both present and future, pertaining to the Company's Hariawan Sugar Complex, Uttar Pradesh (Rs.3.28 Crores due within 1 year; 2014-15- Rs.3.28 Crores)	- Rs.3.28 Crores repayable in 4 quarterly installments
6.	Term loan of Rs.14.24 Crores (2014-15– Rs.14.24 Crores) is secured by way of an exclusive second charge on all immovable and movable assets (save and except book debts) both present and future, pertaining to the Company's Rupapur Sugar Complex, Uttar Pradesh (Rs.2.84 Crores due within 1 year; 2014-15-Rs.Nil)	- Rs.14.24 Crores repayable in 5 annual equal installments commencing from December 2016
7.	Term Loan of Rs.7.52 Crores (2014-15- Rs.9.68 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts) both present and future, pertaining to the Company's Loni Sugar Complex, Uttar Pradesh (Rs.2.15 Crores due within 1 year; 2014-15-Rs.2.15 Crores)	- Rs.7.52 Crores repayable in 7 equal semi- annual installments
8.	Term loan of Rs.2.78 Crores (2014-15- Rs.2.53 Crores) from Department of Biotechnology, Government of India is secured against hypothecation of plant and machinery, machinery spares, tools and accessories acquired from the loan proceeds by Bioseed Research India division. (Rs.0.36 Crores due within 1 year; 2014-15 – Rs.0.29 Crores)	- Rs.0.15 Crores repayable in 5 equal annual installments - Rs.1.54 Crores repayable in 6 equal annual installments - Rs.0.72 Crores repayable in 10 equal semi- annual installments commencing from December 2016. - Rs.0.37 Crores repayable in 10 equal semi – annual installments commencing after one year from the completion of the project.

12. Employee share based payments

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

13. The Company has taken credit of Rs 85.54 Crores during the current year, pursuant to notification of cane subsidy of Rs.28.60/- per quintal for sugar season 2014-15, by Government of Uttar Pradesh.
14. Deposits received under Section 76 of the Companies Act, 2013 are repayable upto March 2018 based on the maturity dates. (due within 1 year Rs.0.07 Crores; 2014-15 Rs.0.57 Crores).
15. Details of Company's interest in joint venture as per Accounting Standard (AS)-27 on Financial reporting of interest in joint venture is as under:

Name of Joint Venture	Shriram Axial Private Limited
Country of incorporation	India

Rs.Crores

Particulars	This Year	Previous Year
Assets	32.08	40.18
Liabilities	12.04	20.78
Income	71.44	64.80
Expenses	70.49	65.16
Capital commitments	0.04	0.18
Contingent Liabilities	0.21	Nil

Ownership Interest	50%	50%
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16. There are no disputed dues of wealth tax, and cess matters. The details of disputed Excise Duty, Service Tax, Income-Tax, Custom Duty and Sales-tax dues as on March 31, 2016 are as follows:

Nature of the statute	Nature of the dues	Forum where pending	Amount* (Rs. in Crores)	Amount paid under protest (Rs. in Crores)	Period to which the amount relates
Central Excise Law	Excise Duty	Appellate authority up to Commissioners' level	3.28	0.05	2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13
		Customs, Excise and Service Tax Appellate Tribunal	5.47	1.02	1997-98, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	31.94	31.71	2005-06, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13
Income Tax Act, 1961	Income Tax	Appellate authority up to Commissioners' level	5.71	5.71	2010-11, 2011-12
		Income Tax Appellate Tribunal	2.21	2.21	2009-10
Customs Act, 1962	Customs Duty	Customs, Excise and Service Tax Appellate Tribunal	5.38	0.54	2012-13
Sales Tax Laws	Sales tax	Appellate authority up to Commissioners' level	1.89	0.41	1983-84, 2001-02, 2005-06, 2006-07, 2007-08, 2010-11, 2011-12
		Appellate Tribunal	2.39	0.95	1994-95, 2009-10

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

Notes forming part of the financial statements (Continued)

DCM SHRIRAM LIMITED

17. Provision for contingencies aggregating to Rs.20.74 Crores (2014-15 - Rs.12.09 Crores) in note 2.6 represents provision for various contingencies resulting from issues relating to reconstruction arrangement of the companies and other uncertainties requiring management judgement.

Rs.Crores

Particulars	This Year	Previous Year
Provision as at the beginning of the year	12.09	12.09
Provision made during the period	8.65	-
Provision as at the end of the year	20.74	12.09

18. During the financial year 2015-16, the Company has incurred Rs 5.03 Crores (2014-15 – Rs 3.19 Crores), being the gross amount required to be spent on corporate social responsibility activities under section 135 of the Companies Act 2013.
19. Research and development expenses included under relevant heads in the statement of profit and loss Rs.39.03 Crores (2014-15- Rs.44.21 Crores).

The details of expenditure incurred on scientific research and development centres recognized by Department of Scientific and Industrial Research (DSIR) are as under:

Rs.Crores

Particulars	Revenue Expenditure		Capital Expenditure	
	This Year	Previous Year	This Year	Previous Year
ICRISAT - Hyderabad, Telangana	10.59	2.81	0.25	0.39
MOKILA - District Ranga Reddy, Telangana	10.56	11.58	0.48	0.10
Total	21.15	14.39	0.73	0.49

20. Category wise quantitative data about Derivative Instruments:

Nature of Derivative	Number of deals		Purpose		Amount in foreign currency (in Crores)		Amount in Rs.Crores	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
US Dollar Interest rate swap	1	3	Hedging	Hedging	USD 0.45	USD 0.94	29.79	59.03
Currency swap	3	4	Hedging	Hedging	USD 0.38	USD 1.02	25.00	63.81
Options	1	1	Hedging	Hedging	USD 0.50	USD 0.50	33.13	31.25

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

Particulars	This year		Previous Year	
	Amount in foreign currency (in Crores)	Amount in Rs.Crores	Amount in foreign currency (in Crores)	Amount in Rs.Crores
Current Liabilities	USD 0.03	2.08	USD 0.01	0.47
	EUR 0.006	0.45	EUR 0.004	0.25
	JPY 0.08	0.05	JPY 0.02	0.01
	GBP 0.0001	0.01	GBP 0.0001	0.01
Current Assets	USD 0.005	0.33	USD 0.005	0.31

21. 'Excise duty' on sales has been deducted from gross sales on the face of statement of profit and loss. 'Increase/ (decrease) in excise duty on finished goods' has been shown under the head "Other expenses" in note 2.25.

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

a) **Assets taken on lease:**

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

Rs.Crores

	This Year	Previous Year
(ii) Information w.r.t. non-cancellable leases:		
Total of minimum lease payments	4.01	6.30
The total of minimum lease payments for a period :		
- Not later than one year	3.52	3.35
- Later than one year and not later than five years	0.49	2.95
- Later than five years	-	-
(iii) Lease payment recognised in the statement of profit and loss for the year* (including cancellable and non-cancellable leases)	23.94	23.01

*Rs.2.05 Crores (2014-15 – Rs.2.13 Crores) is included in Employees benefits expense

b) **Assets given on lease:**

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

Rs.Crores

	Gross Block		Accumulated depreciation		Depreciation for the year	
	This year	Previous year	This year	Previous year	This year	Previous year
Land and building	21.45	20.50	2.57	2.27	0.30	0.28
Plant and Machinery	0.66	0.67	0.25	0.21	0.04	0.04
Furniture and Fittings	1.21	1.22	1.10	1.05	0.05	0.10
Office equipments	0.06	0.06	0.05	0.05	0.00	0.01
	23.38	22.45	3.97	3.58	0.39	0.43

- (ii) Information w.r.t non-cancellable leases:

Rs.Crores

	This Year	Previous Year
Future minimum lease rent receivables	19.15	11.46
- Not later than one year	4.72	0.40
- Later than one year and not later than five years	4.47	1.66
- Later than five years	9.96	9.40

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

24. Statement of Additional Information

(i). Particulars of stocks and sales

Description	Stocks				Sales	
	Opening		Closing			
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Urea	-	-	1.15	-	796.12	725.06
PVC resins	4.16	17.22	4.24	4.16	413.46	489.14
Caustic soda	3.14	3.59	5.18	3.14	756.53	705.84
Chlorine	0.03	0.07	0.01	0.03	8.37	8.90
Compressed Hydrogen	-	-	-	-	35.54	29.34
Stable Bleaching Powder	0.07	0.01	0.04	0.07	13.37	13.32
Marketable Calcium carbide	3.45	0.90	0.47	3.45	110.89	107.88
D.A.P.	-	0.12	-	-	552.04	178.97
M.O.P.	0.30	-	6.86	0.30	141.31	150.30
Super Phosphate	8.16	0.99	0.51	8.16	517.98	462.09
Zinc Sulphate	2.68	1.61	2.19	2.68	24.92	26.56
Cement	1.03	1.54	0.02	1.03	153.81	154.92
Yarn	-	1.18	-	-	-	11.19
Sugar	499.71	528.06	678.43	499.71	787.98	903.30
Molasses	57.79	33.28	44.20	57.79	62.25	57.72
UPVC Windows	2.17	2.51	7.37	2.17	234.52	196.82
Power Sale	-	-	-	-	54.16	54.06
Petrol / Diesel	3.52	3.92	4.03	3.52	369.43	454.42
Other sales/stocks and adjustments	298.23	306.30	344.59	298.23	908.50	977.42
Total	884.44	901.30	1,099.29	884.44	5,941.18	5,707.25

(ii). Particulars of raw materials consumed

Description	2015-16	2014-15
Liquidated natural gas	459.78	395.41
Lime and lime stone	41.82	47.61
Hard coke/SLV/Pearl/Nut coke/Met coke/Pet coke	56.59	69.39
Salt	63.09	75.02
Lime stone	13.25	14.35
Kapas, cotton, synthetic yarn etc.	-	7.68
Sugarcane	783.01	898.01
Other miscellaneous raw materials	300.75	253.25
Total	1718.29	1760.72

(iii). Particulars of goods purchased for resale

Description	2015-16	2014-15
D.A.P.	525.98	163.26
M.O.P.	136.23	126.24
Super Phosphate	489.56	446.72
Petrol / Diesel	360.79	445.38
Others	371.45	379.36
Total	1884.01	1560.96

(iv). Other Additional Information

Description	2015-16	2014-15
(a) Value of imports on CIF basis		
Raw materials	26.85	26.97
Components and spare parts	26.30	35.43
Capital goods	100.87	2.48
Others	732.34	424.10
(b) Expenditure in foreign currency		
Travelling	1.70	1.08
Interest	14.36	20.24
Consultation fees	4.86	4.72
Others	2.01	0.70
(c) Dividend remitted in foreign currency		
Non-residents to whom dividend is paid (Nos.)	4	4
Shares held by Non-residents (Nos.)	15105550	15105550
Amount remitted during the year related to: -		
- Current year	3.63	2.72
- Previous year	0.60	1.81
(d) Earnings in foreign exchange		
Direct export of goods on FOB basis	7.74	5.90

Notes forming part of the financial statements (Continued)

DCM SHRIRAM LIMITED

Description	2015-16		2014-15	
	Rs.Crores	%	Rs.Crores	%
(e) Value of imported/indigenous raw materials, spare parts, components and stores consumed				
(i) Raw materials				
Imported	26.65	1.55	28.18	1.60
Indigenous	1,691.64	98.45	1,732.54	98.40
	1,718.29	100.00	1,760.72	100.00
(ii) Spare parts, components and stores				
Imported	20.36	10.69	20.68	9.65
Indigenous	170.07	89.31	193.65	90.35
	190.43	100.00	214.33	100.00

Signatures to Notes 1 to 24.

SAMEET GAMBHIR
Company Secretary

J.K. JAIN
Chief Financial Officer

S.S. BAIJAL
Director
DIN: 00027961

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

New Delhi
May 10, 2016

Independent Auditor's Report

To the members of DCM Shriram Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **DCM SHRIRAM LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entity, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which 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. 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 jointly controlled entity as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of subsidiaries viz. DCM Shriram Credit and Investments Limited, Bioseed India Limited, DCM Shriram Infrastructure Limited, Hariyali Rural Ventures Limited, DCM Shriram Aqua Foods Limited, Bioseeds Limited, Bioseed Vietnam Limited, Bioseed Holdings PTE Limited, Bioseed Research Philippines Inc., Shriram Bioseed (Thailand) Limited, Shriram Bioseed Ventures Limited, Fenesta India Limited, Hariyali Services Limited (Formerly known as Hariyali Insurance Broking Limited), Shri Ganpati Fertilizers Limited, Shriram Bioseeds Limited (SBL), Bioseed Research USA Inc., PT Shriram Seed Indonesia and PT Shriram Genetics Indonesia and a jointly controlled entity viz. Shriram Axial Private Limited whose financial statements reflect total assets of Rs.296.13 crores as at March 31, 2016, total revenues of Rs.174.49 crores and net cash outflow amounting to Rs.1.26 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, 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 certified by the Management.

Report on Other Legal and Regulatory Requirements

1. 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 prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and a jointly controlled company incorporated in India, none of the directors of the Group companies and its jointly controlled company incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and its jointly controlled company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's/ subsidiary company's/jointly controlled company's incorporated in India for internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity.
 - ii. The Group and its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company, subsidiary companies and the jointly controlled entity incorporated in India.

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

Vijay Agarwal
Partner

Place : New Delhi
Date : May 10, 2016

(Membership No.094468)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **DCM SHRIRAM LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial

reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and its joint controlled companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper

management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies and jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to nine subsidiary companies, and a jointly controlled entity, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Vijay Agarwal
Partner
(Membership No.094468)

Place : New Delhi
Date : May 10, 2016

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

DCM SHRIRAM LIMITED

	Note	As at March 31, 2016 Rs. Crores	As at March 31, 2015 Rs. Crores
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	32.64	32.64
Reserves and surplus	2.2	2,062.99	1,825.90
		2,095.63	1,858.54
Minority Interest			
		2.82	0.96
Non-current liabilities			
Long-term borrowings	2.3	259.01	301.21
Deferred tax liabilities (net)	2.4	119.19	122.03
Other long-term liabilities	2.5	39.46	36.47
Long-term provisions	2.6	166.54	148.33
		584.20	608.04
Current liabilities			
Short-term borrowings	2.7	729.54	338.88
Trade payables	2.8	1,176.37	1,119.98
(includes dues of micro and small enterprises Rs. 1.27 crores; previous year Rs. 3.64 crores)			
Other current liabilities	2.9	506.24	453.53
Short-term provisions	2.10	46.42	36.73
		2,458.57	1,949.12
Total		5,141.22	4,416.66
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.11	1,360.95	1,370.30
Intangible assets		99.53	72.45
Assets on lease		0.27	0.54
Capital work-in-progress		358.00	59.18
Intangible assets under development		0.03	2.70
		1,818.78	1,505.17
Non-current investments	2.12	3.02	5.83
Long-term loans and advances	2.13	271.20	188.55
Other non-current assets	2.14	5.35	10.71
		2,098.35	1,710.26
Current assets			
Inventories	2.15	1,329.19	1,132.15
Trade receivables	2.16	1,297.51	1,070.94
Cash and Bank balances	2.17	40.98	95.38
Short-term loans and advances	2.18	215.32	213.79
Other current assets	2.19	159.87	194.14
		3,042.87	2,706.40
Total		5,141.22	4,416.66
Significant accounting policies and Notes to the consolidated financial statements	1 to 22		

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

VIJAY AGARWAL
Partner

SAMEET GAMBHIR
Company Secretary

J.K. JAIN
Chief Financial Officer

S.S. BAIJAL
Director
DIN: 00027961

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

New Delhi
May 10, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2016

DCM SHRIRAM LIMITED

	Note	Year ended March 31, 2016 Rs. Crores	Year ended March 31, 2015 Rs. Crores
Revenue from operations			
Sale of Products		6,050.96	5,850.40
Less: Excise duty		256.19	244.09
		5,794.77	5,606.31
Other operating revenues	2.20	46.42	32.87
		5,841.19	5,639.18
Other income	2.21	38.59	51.58
Total Revenue		5,879.78	5,690.76
Expenses			
Cost of materials consumed		1,781.46	1,840.15
Purchases of stock-in-trade		1,877.40	1,562.51
Change in inventories of finished goods, work-in-progress and stock-in-trade	2.22	(205.69)	26.89
Employee benefits expense	2.23	494.39	447.15
Finance costs	2.24	85.83	111.75
Depreciation and amortisation expense	2.11	98.64	110.20
Other expenses	2.25	1,388.62	1,363.75
Total Expenses		5,520.65	5,462.40
Profit before tax		359.13	228.36
Provision for taxation	2.26		
-Current tax		64.72	19.79
-Deferred tax		(2.81)	(7.99)
-Tax adjustments related to earlier years		-	5.76
Profit after tax		297.22	210.80
Earnings per equity share-basic/diluted (Rs.)	8	18.30	12.97
Significant accounting policies and Notes to the consolidated financial statements	1 to 22		

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May 10, 2016

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2016

DCM SHRIRAM LIMITED

	Year ended March 31, 2016 Rs. Crores	Year ended March 31, 2015 Rs. Crores
A. Cash flow from operating activities		
Net profit before tax and exceptional items	359.13	228.36
Adjustments for :		
Depreciation and amortization expense	98.64	110.20
(Profit)/ loss on sale/ write off of Fixed Assets (net)	(1.05)	(7.03)
(Profit) on sale of Textile business	-	(0.24)
Provision for diminution in value of assets	13.74	-
Exchange differences on conversion	2.27	7.73
Finance cost	85.83	111.75
Less: interest and dividend income	(29.22)	(35.68)
Operating profit before working capital changes	529.34	415.09
Adjustments for :		
Trade receivables	(226.57)	(38.45)
Long term loans and advances	(5.65)	(30.06)
Short term loans and advances	(9.26)	(12.52)
Other non current assets	0.33	2.48
Other current assets	7.49	23.76
Inventories	(197.04)	18.02
Trade payables	56.39	(191.01)
Long term provisions	9.56	19.85
Short term provisions	2.45	3.96
Other long term liabilities	4.19	1.95
Other current liabilities	93.24	9.90
Cash generated from operations	264.47	222.97
Income taxes (paid)	(82.87)	(56.34)
Net cash from operating activities	181.60	166.63
B. Cash flow from investing activities		
Purchase of fixed assets	(466.17)	(104.39)
Sale of fixed assets	25.33	52.58
Fixed deposits and current account balances with banks (earmarked)	(0.04)	0.72
Consideration pursuant to sale of Textile business	-	17.13
Sale/(Purchase) of non-trade current investments (net)	-	196.92
Sale of non-trade non current Investment	2.81	0.04
Consideration pursuant to sale of PVC compounds business	-	29.50
Interest received	25.68	22.85
Dividend received	4.94	12.57
Net cash from / (used) in investing activities	(407.45)	227.92
C. Cash flow from financing activities		
Proceeds/(repayment) from short term borrowings (net)	393.19	(94.52)
Repayment of long term borrowings	(82.55)	(325.49)
Buy Back of Equity Shares	-	(5.88)
Changes in working capital borrowings	(2.53)	2.47
Dividends paid	(45.48)	(48.72)
Corporate dividend tax paid	(9.26)	(8.28)
Finance cost paid	(87.29)	(113.96)
Net cash from / (used) in financing activities	166.08	(594.38)
Net increase / (decrease) in cash and cash equivalents	(59.77)	(199.83)
Cash and cash equivalents as at opening *		
Cash and cheques in hand and balances with banks	85.99	285.82
Cash and cash equivalents as at closing *		
Cash and cheques in hand and balances with banks	26.22	85.99
* excludes Rs. 3.16 crores (2014-15 - Rs.2.40 crores) held in dividend/margin money accounts and Rs. 11.60 crores (2014-15 - Rs. 6.99 crores) deposits with banks for specific purposes		

In terms of our report attached
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New Delhi
May 10, 2016

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**1. Statement of accounting policies****(i) Basis of accounting**

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

(ii) Principles of consolidation

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

- the financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- the financial statement of the jointly controlled entity have been combined by using proportionate consolidation method and eliminating transactions/balances with jointly controlled entities. Accordingly venture's share of each of the assets, liabilities, income and expense is included in consolidated financial statements.
- the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- minority interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments.
- the excess of cost to the Company of its investment in a subsidiary company over the Company's portion of the equity of the subsidiary at the date on which investment in subsidiary is made is recognised in the financial statements as goodwill and is tested for impairment. However, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

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

Name of the Company	Country of incorporation	% voting power held as at March 31, 2016	% voting power held as at March 31, 2015
(i) Subsidiary companies			
DCM Shriram Credit and Investments Limited (DSCIL)	India	100	100
Bioseed India Limited	India	100	100
DCM Shriram Infrastructure Limited	India	100	100
(100 % subsidiary of DSCIL)			
Hariyali Rural Ventures Limited	India	100	100
DCM Shriram Aqua Foods Limited	India	100	100
Shriram Bioseed Ventures Limited (SBVL)	India	100	100
Fenesta India Limited	India	100	100
Shri Ganpati Fertilizers Limited	India	81.41	81.41
Bioseeds Limited (BL)	Mauritius	100	100
Bioseed Holdings PTE Limited (BHP)	Singapore	100	100
(100% subsidiary of BL)			
Bioseed Research Philippines Inc	Philippines	100	100
(100% subsidiary of BHP)			
Bioseed Vietnam Limited	Vietnam	100	100
(100% subsidiary of BL)			
PT Shriram Seed Indonesia	Indonesia	95	95
(95 % subsidiary of BHP)			
Shriram Bioseed (Thailand) Limited	Thailand	99.99	99.99
(99.99% subsidiary of BHP)			
Bioseed Research USA Inc.	USA	100	100
(100% subsidiary of SBVL)			
PT. Shriram Genetics Indonesia	Indonesia	100	100
Shriram Bioseeds Limited (SBL) *	Mauritius	-	100
Hariyali Services Ltd. **	India	-	100
(ii) Joint Venture Company			
Shriram Axial Private Limited	India	50%	50%

* merged with Bioseeds Limited (BL) w.e.f April 22, 2015.

** application filed with Registrar of Companies to strike off the name from its records. Approval pending.

- c) The accounts of subsidiaries namely DCM Shriram Foundation and Shridhar Shriram Foundation, incorporated under Section 8 of the Companies Act, 2013 are not considered for consolidation since the objective of control in these companies is not to obtain economic benefits from its activities.

(iii) Fixed assets and depreciation

a) Owned assets

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

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

Depreciation on all tangible fixed assets except plant and equipments is provided on the basis of useful life prescribed in Schedule II to the Companies Act, 2013. For plant and equipments, depreciation is provided on the basis of useful life/residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advise etc., as given below:

Useful life

Asset	Useful life
Plant and Machinery used in generation, transmission and distribution of power	25-40 years
Plant and Machinery (other than used in generation, transmission and distribution of power)	5-40 years

Residual value

Asset	Residual value
Certain electrical equipments	10%

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

Amortization on intangibles is provided on straight line method as follows:

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

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

b) Assets taken on finance lease

Fixed assets taken on finance lease on or after April 1, 2001 are stated at the lower of the fair value of the lease assets or the present value of the minimum lease payments at the inception of the lease.

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

(iv) Foreign currency transactions and derivatives

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

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

The exchange differences arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/reported in previous financial statements are recognized as income/expense in the period in which they arise except that the exchange differences arising till the commissioning of fixed assets, relating to borrowed funds and liabilities in foreign currency for acquisition of the fixed assets are adjusted to the cost of fixed assets.

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortised as income or expense over the life of the contract. Further exchange difference on such contracts

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

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

(v) Inventories

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

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

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

By-products are valued at estimated net realisable value.

(vi) Revenue recognition

- a) Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with dispatch to customers. Sales include excise duty but exclude sales tax and value added tax.
- b) Under the retention pricing scheme, the Government of India reimburses to the fertiliser industry, the difference between the retention price based on the cost of production and selling price (as realised from the farmers) as fixed by the Government from time to time, in the form of subsidy. The effect of variation in input costs/ expenses on retention price yet to be notified is accounted for by the Company as income for the year based on its assessment of ultimate collection with reasonable degree of certainty at the time of accrual.

(vii) Investments

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

(viii) Employee benefits

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

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

(ix) Research and development

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

(x) Income-tax

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

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

	As at March 31, 2016 Rs. Crores	As at March 31, 2015 Rs. Crores
2.1 SHARE CAPITAL		
Authorised		
29,49,50,000 (2014-15- 29,49,50,000) Equity shares of Rs.2 each with voting rights	58.99	58.99
65,01,000 (2014-15 - 65,01,000) Cumulative redeemable preference shares of Rs.100 each	65.01	65.01
	124.00	124.00
Issued		
16,98,03,320 (2014-15 - 16,98,03,320) Equity shares of Rs.2 each with voting rights	33.96	33.96
Subscribed and fully paid up		
16,24,16,137 (2014-15 - 16,24,16,137) Equity shares of Rs. 2 each with voting rights fully called - up	32.48	32.48
Forfeited shares - Amount originally paid up	0.16	0.16
	32.64	32.64

NOTES:

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

Subscribed and fully paid up Equity Shares:

As at April 1, 2014

Less: Equity shares buy back

As at March 31, 2015

As at March 31, 2016

No. of shares	Value (Rs. Crores)
163,206,411	32.64
790,274	0.16
162,416,137	32.48
162,416,137	32.48

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

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

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

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

	As at March 31, 2016 Rs. Crores	As at March 31, 2015 Rs. Crores
2.2 RESERVES AND SURPLUS		
Capital reserve		
Opening Balance	37.62	22.61
Add: Adjustment related to Joint Venture	-	15.01
	37.62	37.62
Capital redemption reserve		
Opening Balance	9.11	8.98
Add: Transferred from share premium on account of buyback of equity shares	-	0.13
	9.11	9.11
Securities premium account		
Opening Balance	34.98	40.86
Less: Utilisation for buy back of equity shares	-	(5.75)
Less: Transferred to capital redemption reserve on buy back of equity shares	-	(0.13)
	34.98	34.98
General reserve		
Opening Balance	830.94	830.55
Add: Movement related to employees stock purchase scheme	0.16	0.39
	831.10	830.94
Storage fund for molasses account		
Opening Balance	1.16	1.03
Add: Transferred from statement of profit and loss	0.17	0.13
	1.33	1.16
Statutory reserve*	0.79	0.79
Foreign currency translation reserve		
Opening Balance	32.63	27.36
Add: Adjustments during the year	2.27	5.27
	34.90	32.63
Balance in Statement of Profit and loss		
Opening Balance	878.67	721.71
Less: Adjustment related to joint venture	-	(0.61)
Less: Adjustment of depreciation	-	(11.08)
Add: Profit during the year	297.22	210.80
Amount available for appropriation	1,175.89	920.82
Appropriations:		
Interim dividend on equity shares	38.98	29.23
Proposed final dividend on equity shares	12.99	6.50
Corporate dividend tax	10.59	6.29
Storage fund for molasses account	0.17	0.13
	1,113.16	878.67
	2,062.99	1,825.90

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

Notes forming part of the Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED

	As at March 31, 2016 Rs. Crores	As at March 31, 2015 Rs. Crores
NON CURRENT LIABILITIES		
2.3 LONG-TERM BORROWINGS		
Secured		
Term loans		
From banks [Refer note 13(b)]	198.38	96.86
From others [Refer note 13(c)]	29.84	190.25
	228.22	287.11
Unsecured		
Deposits		
Fixed	30.40	13.58
Finance lease liability [Refer note 7]	0.39	0.52
	30.79	14.10
	259.01	301.21
2.4 DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities		
Depreciation	219.61	209.58
	219.61	209.58
Deferred tax assets		
Provision for gratuity and compensated absences	58.54	54.01
Provision for doubtful debts and advances	5.12	5.87
Others	36.76	27.67
	100.42	87.55
	119.19	122.03
2.5 OTHER LONG-TERM LIABILITIES		
Interest accrued but not due on loans and deposits	6.27	7.47
Security deposits	33.19	29.00
	39.46	36.47
2.6 LONG-TERM PROVISIONS		
Provision for employee benefits		
Gratuity	84.03	77.56
Compensated absences	56.90	52.75
Other benefits	4.87	5.93
Provision for contingencies [Refer note 5]	20.74	12.09
	166.54	148.33
	584.20	608.04

Notes forming part of the Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED

	As at March 31, 2016 Rs. Crores	As at March 31, 2015 Rs. Crores
CURRENT LIABILITIES		
2.7 SHORT-TERM BORROWINGS		
Secured		
Loans repayable on demand from banks [Refer note 13(a)]	98.74	101.27
Other loans and advances from banks [Refer note 13(a)]	324.13	196.53
	422.87	297.80
Unsecured		
Loans repayable on demand - other than bank	2.70	2.70
Other loans from banks	303.97	38.38
	306.67	41.08
	729.54	338.88
2.8 TRADE PAYABLES		
Total outstanding dues of micro and small enterprise	1.27	3.64
Total outstanding dues of other than micro and small enterprise	1,175.10	1,116.34
	1,176.37	1,119.98
2.9 OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Secured)		
From banks [Refer note 13 (b)]	62.01	41.67
From others [Refer note 13 (c)]	17.04	77.28
Current maturities of long-term debt (Unsecured)		
From others (Refer note 14)	0.07	0.57
Current maturities of finance lease obligations (Refer note 7)	0.20	0.22
Interest accrued but not due on borrowings	4.94	5.20
Advances received from customers	185.93	192.55
Unpaid dividends	2.82	2.13
Unpaid matured deposits and interest accrued thereon	0.13	0.06
Unpaid interest accrued on debentures	0.21	0.21
Statutory levies	124.22	96.22
Others liabilities (includes liabilities for capital expenditure Rs 85.02 crores; previous year Rs 3.23 crores)	108.67	37.42
	506.24	453.53
2.10 SHORT-TERM PROVISIONS		
Provision for employee benefits		
Gratuity	14.55	14.60
Compensated absences	13.76	11.28
Other benefits	0.71	0.69
Contingent provision for standard assets	0.01	0.01
Provision for tax (net of tax paid)	1.75	2.33
Proposed dividend [Rs. 0.80 (previous year: Rs 0.40) per equity share]	12.99	6.50
Corporate dividend tax	2.65	1.32
	46.42	36.73
	2,458.57	1,949.12

Notes forming part of the Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED

NON-CURRENT ASSETS

2.11 FIXED ASSETS

													Rs. Crores	
	GROSS BLOCK					DEPRECIATION AND AMORTISATION						NET BLOCK		
Description	As at March 31, 2015	Additions	Deductions	Adjustment pursuant to Joint Venture**	As at March 31, 2016	Up to March 31, 2015	For the year	On deductions	Adjustment*	Adjustment pursuant to Joint Venture**	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015	
Tangibles														
Land - Freehold	78.14	0.84	-	-	78.98 #	-	-	-	-	-	-	78.98	78.14	
- Leasehold	17.39	-	-	-	17.39	-	-	-	-	-	-	17.39	17.39	
Buildings	251.39	13.65	-	-	265.04	71.82	8.68	-	-	-	80.50	184.54	179.57	
Leasehold improvements	9.62	0.14	-	-	9.76	1.81	1.24	-	-	-	3.05	6.71	7.81	
Plant and equipment	2,338.18	58.45	7.73	-	2,388.90	1,293.99	71.39	5.86	-	-	1,359.52	1,029.38	1,044.19	
Furniture and Fixtures	20.12	1.14	0.19	-	21.07	14.67	1.70	0.07	-	-	16.30	4.77	5.45	
Office equipment	25.81	3.24	1.04	-	28.01	20.16	3.14	0.98	-	-	22.32	5.69	5.65	
Vehicles	50.45	11.93	5.95	-	56.43	26.25	9.07	4.52	-	-	30.80	25.63	24.20	
Add: share in Joint Venture	9.53	0.71	0.05	-	10.19	1.63	0.73	0.03	-	-	2.33	7.86	7.90	
Sub total (This year)	2,800.63	90.10	14.96	-	2,875.77	1,430.33	95.95	11.46	-	-	1,514.82	1,360.95		
Previous year	2,785.28	82.24	61.24	(5.65)	2,800.63	1,342.72	108.05	36.48	16.71	(0.67)	1,430.33		1,370.30	
Intangibles														
Goodwill	77.38	4.09	0.39	-	81.08	9.15	-	-	-	-	9.15	71.93	68.23	
Technical Know how	8.71	-	-	-	8.71	8.18	0.52	-	-	-	8.70	0.01	0.53	
Computer Software	10.39	25.92	0.05	-	36.26	6.73	1.99	-	-	-	8.72	27.54	3.66	
Add: share in Joint Venture	0.05	-	-	-	0.05	0.02	-	0.02	-	-	-	0.05	0.03	
Sub total (This year)	96.53	30.01	0.44	-	126.10	24.08	2.51	0.02	-	-	26.57	99.53		
Previous year	92.25	4.61	0.28	(0.05)	96.53	22.17	1.92	-	-	(0.01)	24.08		72.45	
Asset on Lease														
Motor Vehicles	1.95	0.05	0.10	-	1.90 @	1.41	0.22	-	-	-	1.63	0.27	0.54	
Sub total (This year)	1.95	0.05	0.10	-	1.90	1.41	0.22	-	-	-	1.63	0.27		
Previous year	1.87	0.09	0.01	-	1.95	1.15	0.27	0.01	-	-	1.41		0.54	
Total This year	2,899.11	120.16	15.50	-	3,003.77	1,455.82	98.68 ##	11.48	-	-	1,543.02	1,460.75		
Total Previous year	2,879.40	86.94	61.53	(5.70)	2,899.11	1,366.04	110.24 ##	36.49	16.71	(0.68)	1,455.82		1,443.29	
Capital work in progress (Refer note 10) ** #												358.00	59.18	
Intangible assets under development												0.03	2.70	
												1,818.78	1,505.17	

* adjusted from retained earnings (net off deferred tax Rs. 5.63 crores) pursuant to Schedule II of Companies Act 2013

** Includes Rs. 6.14 crores (2014-15 - Rs. Nil) borrowing cost incurred during the year

Includes Rs. 15.31 crores (2014-15 - Rs. 16.79 crore) pertaining to land pending registration in favour of the Company

Includes Rs. 0.04 crores (2014-15 - Rs. 0.04 crores) included in addition to capital work in progress

@ Refer note 7

	As at March 31, 2016 Rs. Crores	As at March 31, 2015 Rs. Crores
2.12 NON-CURRENT INVESTMENTS		
(Valued at cost unless there is permanent fall in value thereof)		
(a) TRADE INVESTMENTS		
(i) Investment in Equity Instruments		
Unquoted		
11,32,134 (2014-15 - 11,32,134) Equity shares of Narmada Clean Tech of Rs.10/- each fully paid up	1.13	1.13
	1.13	1.13
(b) NON-TRADE INVESTMENTS		
(i) Investment in Equity Instruments		
Subsidiaries		
Unquoted		
10,000 (2014-15 - 10,000) Equity shares of DCM Shriram Foundation of Rs. 10/- each fully paid up	0.01	0.01
50,000 (2014-15 - 50,000) Equity shares of Shridhar Shriram Foundation Rs. 10/- each fully paid up	0.05	0.05
	0.06	0.06

	As at March 31, 2016 Rs. Crores	As at March 31, 2015 Rs. Crores
Others		
Quoted		
1,40,000 (2014-15 - 140,000) Equity shares of IFCI Limited of Rs.10/- each fully paid up	0.06	0.06
5,400 (2014-15 - 5,400) Master Gains 92 of Unit Trust of India of Rs. 10/- each fully paid up (@ Rs.47,000)	@	@
296,795 (2014-15 - 296,795) Equity shares of Bank of Baroda of Rs. 2/- each fully paid up	1.37	1.37
20,108 (2014-15 - 20,108) Equity shares of Gujarat State Petronet Limited of Rs. 10/- each fully paid up	0.05	0.05
17,150 (2014-15 - 17,150) Equity shares of Punjab National Bank of Rs. 2/- each fully paid up	0.13	0.13
17,870 (2014-15 - 17,870) Equity shares of Yes Bank Ltd of Rs. 10/- each fully paid up	0.08	0.08
6,53,592 (2014-15 - 6,53,592) Equity shares of Nicco Corporation Ltd of Rs. 2/-each fully paid up	0.40	0.40
Less: provision for diminution in value of investment	(0.33)	-
	1.76	2.09
Unquoted		
Nil (2014-15 - 5,00,000) Equity shares of Forech India Ltd. of Rs. 10/- each, Rs. 4/- paid up, written off during the year	-	1.75
3,00,000 (2014-15 - 3,00,000) Equity shares of E Commodities Limited of Rs.10/- each fully paid up, written off during the year	0.30	0.30
Less : Provision for diminution in value of investment	(0.30)	-
2,00,000 (2014-15 - 2,00,000) Equity shares of Ellenbarie Commercial Limited of Rs.10/- each fully paid up	1.50	1.50
Less : Provision for diminution in value of investment	(1.50)	(1.08)
40,000 (2014-15 - 40,000) Equity shares of BMD Estate Private Limited of Rs.10/- each fully paid up	0.75	0.75
Less : Provision for diminution in value of investment	(0.75)	-
	-	2.47
(ii) Investment in Government securities		
Unquoted		
National savings certificates	0.07	0.08
TOTAL:	3.02	5.83
Aggregate book value - Quoted	1.76	2.09
- Unquoted	1.26	3.74
Aggregate provision for diminution in value of investments	2.88	1.83
Aggregate market value- Quoted	6.89	7.30

Notes forming part of the Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED

	As at March 31, 2016 Rs. Crores	As at March 31, 2015 Rs. Crores
2.13 LONG-TERM LOANS AND ADVANCES		
(Unsecured considered good unless otherwise stated)		
Capital advances	56.07	6.23
Security deposit	42.17	38.45
Employee loans and advances	8.38	8.22
MAT credit entitlement	125.27	99.92
Tax payments (net of provision)	2.02	0.21
Others loans and advances#	37.29	35.52
	271.20	188.55
2.14 OTHER NON-CURRENT ASSETS		
Long-term trade receivables	2.41	2.73
Unsecured considered good	2.92	7.97
Fixed Deposits with banks(Earmarked)	0.02	0.01
Interest accrued on investments, deposits etc.	5.35	10.71
# includes amount deposited with Government authorities		
CURRENT ASSETS		
2.15 INVENTORIES		
Raw materials (includes goods in transit Rs. 0.45 crores; previous year Nil)	39.82	30.42
Work-in-progress	29.30	46.18
Finished goods	1,018.54	814.36
Stock-in-trade (includes goods in transit Rs. 0.15 crores; previous year Rs. 2.93 crores)	104.49	84.56
Stores and spares (includes goods in transit Rs. 22.91 crores; previous year Rs Nil)	137.04	156.63
	1,329.19	1,132.15
2.16 TRADE RECEIVABLES*		
Outstanding for a period exceeding six months from due date for payment		
Secured - considered good	0.03	0.01
Unsecured - considered good	264.46	222.05
- considered doubtful	22.65	22.28
	287.14	244.34
Less: Provision for doubtful receivables	22.65	22.28
	264.49	222.06
Others		
Secured - considered good	1.19	0.68
Unsecured - considered good	1,031.83	848.20
	1,297.51	1,070.94
2.17 CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks on		
-current accounts #	26.97	84.39
-deposit accounts ##	10.68	7.23
Cheques on hand	0.11	0.18
Cash on hand	0.33	0.72
Other bank balances		
-deposit accounts ##	2.89	2.86
	40.98	95.38

	As at March 31, 2016 Rs. Crores	As at March 31, 2015 Rs. Crores
2.18 SHORT-TERM LOANS AND ADVANCES		
(Unsecured Considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	155.69	171.66
Considered doubtful	1.44	1.98
	157.13	173.64
Less: Provision for doubtful advances	1.44	1.98
	155.69	171.66
Employee loans and advances	8.12	6.58
Deposits	8.35	5.88
Balances with customs, excise etc.	35.16	12.08
Tax payments (net of provision of current tax)	8.00	17.59
	215.32	213.79
2.19 OTHER CURRENT ASSETS		
(Unsecured Considered good unless otherwise stated)		
Other receivables		
Considered good	12.49	15.93
Unbilled revenue	4.71	8.76
Interest accrued on investments, deposits etc.	0.71	2.08
Fixed assets held for sale	141.96	167.37
	159.87	194.14
	3,042.87	2,706.40

* Refer note 4

Includes Rs. 3.16 crores (2014-15 - Rs. 2.40 crores) earmarked for unpaid dividends, debentures interest, margin money etc.

Includes Rs. 11.60 crores (2014-15 - Rs. 6.99 crores) earmarked for specific purposes

	Year ended March 31, 2016 Rs. Crores	Year ended March 31, 2015 Rs. Crores
2.20 OTHER OPERATING REVENUES		
Rent	0.47	0.48
Liabilities / provisions no longer required written back	25.72	11.80
Interest income	0.33	0.32
Scrap sales and other miscellaneous income	19.90	20.27
	46.42	32.87
2.21 OTHER INCOME		
Interest income	24.28	23.11
Dividend income on non-trade non-current investments	0.18	0.18
Dividend income on non-trade current investments	4.76	12.39
Profit on sale of Textile Business	-	0.24
Profit on sale of Fixed assets (net)	1.05	7.03
Rent	4.75	4.73
Miscellaneous income	3.57	3.90
	38.59	51.58
2.22 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESSS AND STOCK-IN-TRADE		
Closing stock	1,152.33	945.10
Less: Translation difference transferred to Foreign Currency Translation Reserve	6.14	4.60
Adjusted closing stock	1,146.19	940.50
Opening stock	940.50	969.51
Less: Stock transferred pursuant to Joint Venture	-	(1.69)
Less: Stock transferred pursuant to slump sale of Textile Business Change in inventories	-	(0.43)
	(205.69)	26.89
2.23 EMPLOYEE BENEFITS EXPENSES		
Salaries, wages, bonus, gratuity, commission, etc.	443.91	392.18
Expense on Employee stock purchase scheme	2.43	2.17
Provident and other funds	27.36	25.52
Welfare	20.69	27.28
	494.39	447.15
2.24 FINANCE COSTS		
Interest expense	41.67	54.58
Other borrowing costs	3.63	1.87
Net loss on foreign currency transactions and translation	40.53	55.30
	85.83	111.75

	Year ended March 31, 2016 Rs. Crores	Year ended March 31, 2015 Rs. Crores
2.25 OTHER EXPENSES		
Consumption of stores and spare parts	193.95	219.92
Power, fuel etc.	674.88	675.19
Rent	23.71	22.47
Repairs		
Buildings	11.98	11.39
Plant and machinery	30.43	28.12
Donation	0.12	0.36
Insurance	8.18	8.17
Rates and taxes	2.53	3.42
Auditors' remuneration		
Audit fee	1.49	1.30
Tax audit	0.14	0.11
Limited reviews	0.48	0.45
Other certification services*	1.17	0.95
Out-of-pocket expenses	0.05	0.04
Directors' fees	0.35	0.15
Bad debts and advances written off	4.25	2.18
Less: adjusted against provision for doubtful debts and advances	(2.95)	(1.18)
Provision for diminution in value of long term investments	1.05	-
Loss on write off of long term investments	1.75	-
Provision for doubtful debts and advances	3.33	3.78
Freight and transport	60.03	57.56
Commission to selling agents	5.08	4.61
Brokerage, discounts (other than trade discounts), etc.	12.07	5.50
Selling expenses	94.91	89.49
Royalty	67.10	74.97
Provision for diminution in value of assets	13.74	-
Increase in excise duty on finished goods	27.54	4.54
Exchange fluctuation	6.34	9.60
Corporate social responsibility	5.03	3.19
Miscellaneous expenses	141.84	137.50
	1,390.57	1,363.78
Less:- Cost of own manufactured goods capitalised	(1.95)	(0.03)
	1,388.62	1,363.75

* Includes service tax

2.26 PROVISION FOR TAX

Current tax	90.07	53.40
Less:- MAT credit entitlement	(25.35)	(33.61)
Deferred Tax	(2.81)	(7.99)
Tax adjustments related to earlier years:		
- Current tax written back	-	(15.85)
- Provision for MAT credit entitlement	-	21.61
	61.91	17.56

Notes forming part of the Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED

	This Year Rs. Crores	Previous Year Rs. Crores
3. (i) Contingent liabilities not provided for:		
Claims* (excluding claims by employees where amount not ascertainable) not acknowledged as debts:		
Sales tax matters	1.47	1.33
Service tax matters	31.87	31.66
Additional premium on land	8.11	8.11
Others	6.56	5.93
Total	48.01	47.03

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

(ii) Commitments:

Capital commitments (net of advances)	314.58	60.53
Uncalled liability on partly paid shares	-	0.30

4. In accordance with past practice, the Company has taken revenue credits aggregating Rs. 8.58 Crores (2014-15 – Rs. 123.83 Crores) for urea subsidy claims, which are pending notification/ final acceptance by 'Fertiliser Industry Coordination Committee' (FICC), Government of India, in pursuance of the Retention Price Scheme administered for nitrogenous fertilisers. Necessary adjustment to revenue credits so accrued will be made on issuance of notification by FICC, Government of India.
5. Provision for contingencies aggregating to Rs. 20.74 crores (2014-15 - Rs. 12.09 crores) in note 2.6 represents provision for various contingencies resulting from issues relating to reconstruction arrangement of the companies and other uncertainties requiring management judgement.

Rs. Crores

Particulars	This Year	Previous Year
Provision as at the beginning of the year	12.09	12.09
Provision made during the period	8.65	-
Provision as at the end of the year	20.74	12.09

6. Segment reporting

A. Business segments :

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting" the Company's business segments include: Fertilisers (manufacturing of urea), Chloro-Vinyl (manufacturing of poly-vinyl chloride, carbide and chlor alkali products), Shriram Farm Solution (trading of di ammonia phosphate, muriate of potash, super phosphate, other fertilisers, seeds and pesticides), Sugar (manufacturing of sugar products and co-generation of Power), Bioseed (production of hybrid seeds) and Others (UPVC Window Systems, Cement, Rural retail and plaster of paris). Sale of power from the power generation facilities set up for the business segments is included in their respective results.

B. Geographical segments:

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

C. Segment accounting policies:

In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses:

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

b) Segment assets and liabilities:

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

Notes forming part of the Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED

c) Inter segment sales:

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

d) Information about business segments

Rs. Crores																
PARTICULARS	Chloro-Vinyl		Sugar		Shriram Farm Solutions		Bioseed		Fertiliser		Others		Elimination		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
1. REVENUE																
External sales (Gross)	1344.03	1360.03	942.78	1062.23	1797.80	1416.06	321.33	379.21	793.98	725.07	851.04	907.80			6050.96	5850.40
Other Operating Income	5.92	8.15	25.37	13.20	0.51	0.10	3.42	3.44	6.39	3.40	4.81	4.58			46.42	32.87
Inter segment sales	29.00	30.98	-	-	0.23	0.69	159.76	187.64			1.86	0.47	190.85	219.78		
Total revenue	1378.95	1399.16	968.15	1075.43	1798.54	1416.85	484.51	570.29	800.37	728.47	857.71	912.85	190.85	219.78	6,097.38	5,883.27
2. RESULTS																
Segment results	350.32	317.06	87.91	(68.45)	72.84	87.18	8.03	32.12	31.10	37.35	0.43	(2.05)			550.63	403.21
Unallocated expenses (net of income)															105.67	63.10
Operating profit/(loss)	350.32	317.06	87.91	(68.45)	72.84	87.18	8.03	32.12	31.10	37.35	0.43	(2.05)			444.96	340.11
Interest expense and finance cost															85.83	111.75
Profit before tax															359.13	228.36
Provision for taxation																
-Current/deferred tax															61.91	11.80
-Tax adjustments related to earlier years															-	5.76
Net profit															297.22	210.80
3. OTHER INFORMATION																
A. ASSETS																
Segment assets	1052.57	690.61	1399.82	1226.17	716.10	573.85	696.26	682.40	610.75	529.30	394.25	423.16			4869.75	4125.49
Unallocated assets															271.47	291.17
Total assets	1052.57	690.61	1399.82	1226.17	716.10	573.85	696.26	682.40	610.75	529.30	394.25	423.16			5,141.22	4,416.66
B. LIABILITIES																
Segment liabilities	290.53	195.60	361.71	441.26	500.02	418.84	353.56	302.44	91.91	87.51	159.04	137.43			1756.77	1583.08
Share capital and reserves															2,095.63	1,858.54
Secured and unsecured loans															1,068.21	760.10
Unallocated liabilities															220.61	214.94
Total liabilities	290.53	195.60	361.71	441.26	500.02	418.84	353.56	302.44	91.91	87.51	159.04	137.43			5,141.22	4,416.66
C. OTHERS																
Capital expenditure	327.03	25.84	21.85	13.26	1.90	-	10.49	2.54	18.13	18.90	15.34	29.56				
Depreciation	41.78	42.04	25.14	36.99	0.30	0.36	5.46	3.69	9.20	8.50	12.47	11.59				
Non cash expenses other than depreciation	0.02	0.14	-	-	1.13	0.04	2.96	4.41	-	-	0.19	0.19				

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

(i) General description of the finance lease:

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

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

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

Rs. Crores						
	Total		Not later than one year		Later than one year but not later than five years	
	This year	Previous year	This year	Previous year	This year	Previous year
Total of minimum lease payments at the balance sheet date	0.61	0.77	0.22	0.24	0.39	0.53
Less: Future finance charges	0.02	0.03	0.02	0.02	-	0.01
Present value of minimum lease payments at the balance sheet date	0.59	0.74	0.20	0.22	0.39	0.52

Notes forming part of the Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED

(iii) General description of the operating lease

- Assets Taken on Lease

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

- (b) Information w.r.t non-cancellable leases:

	Rs. Crores	
	This year	Previous year
Total of minimum lease payments	4.15	6.51
The total of minimum lease payments for a period:		
- Not later than one year	3.62	3.47
- Later than one year and not later than five years	0.53	3.04
- Later than five years	-	-
(c) Lease payment recognised in the consolidated statement of profit and loss for the year*	25.76	24.60

* Rs. 2.05 crores (2014-15 Rs. 2.13 crores) included in employee benefits expenses under Note 2.23

- Assets given on lease:-

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

	Rs. Crores					
	Gross Block		Accumulated depreciation		Depreciation for the year	
	This year	Previous year	This year	Previous year	This year	Previous year
Land and building	21.45	20.50	2.57	2.27	0.30	0.28
Plant and Machinery	0.66	0.67	0.25	0.21	0.04	0.04
Furniture and Fittings	1.21	1.22	1.10	1.05	0.05	0.10
Office equipments	0.06	0.06	0.05	0.05	-	0.01
	23.38	22.45	3.97	3.58	0.39	0.43

- (b) Information w.r.t. non-cancellable leases:

	Rs. Crores	
	This year	Previous year
Future minimum lease payments receivables	19.15	11.46
- Not later than one year	4.72	0.40
- Later than one year and not later than five years	4.47	1.66
- Later than five years	9.96	9.40

8. Earnings per share

	This year	Previous year
Net Profit after tax (Rs. Crores)	297.22	210.80
Weighted average number of equity shares outstanding	162,416,137	162,468,409
Basic and diluted earnings per share in rupees (face value – Rs.2 per share)	18.30	12.97

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

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

Key Managerial Persons, their relatives and HUFs:

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

* (w.e.f. 02.07.2014)

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

		Rs. Crores	
Nature of transactions	Name	This Year	Previous Year
Rent Paid	M/s. Ajay S. Shriram (HUF)	1.47	1.47
	M/s. Vikram S. Shriram (HUF)	1.31	1.31
	M/s. Ajit S. Shriram (HUF)	1.31	1.31
	Relatives of Key management personnel	0.20	0.20
		4.29	4.29
Remuneration (including Commission)	Mr. Ajay S. Shriram	5.35	4.06
	Mr. Vikram S. Shriram	5.17	3.89
	Mr. Ajit S. Shriram	4.48	3.27
	Mr. K. K. Kaul	1.79	1.20
	Mr. N.J Singh	0.74	0.66
	Relatives of Key management personnel	0.88	0.45
		18.41	13.53
Balance outstanding as at the year end			
- Security deposits for premises hired		8.34	8.34
- Commission Payable		7.82	4.75

Notes forming part of the Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED

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

Particulars	Rs. Crores	
	This Year	Previous Year
Finance cost (including interest, exchange fluctuation etc.)	7.08	-
Salaries, wages etc.	1.74	-
Insurance	0.65	-
Power, fuel etc.	0.18	-
Depreciation	0.04	0.04
Miscellaneous expenses	1.68	0.35
	11.37	0.39
Add: Brought forward from the previous year	10.82	10.43
Total	22.19	10.82
Less: Written off during the year	(7.97)	-
Transferred to capital work-in-progress	14.22	10.82

11. Research and development expenses included under relevant heads in the consolidated statement of profit and loss Rs. 40.00 crores (2014-15 – Rs. 44.94 crores)

12. Category wise quantitative data about Derivative Instruments:

Nature of Derivative	Number of deals		Purpose		Amount in foreign currency (in Crores)		Amount in Rs. Crores	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
US Dollar Interest rate swap	1	3	Hedging	Hedging	USD 0.45	USD 0.94	29.79	59.03
Currency swap	3	4	Hedging	Hedging	USD 0.38	USD 1.02	25.00	63.81
Options	1	1	Hedging	Hedging	USD 0.50	USD 0.50	33.13	31.25
Forward Contract	4	5	Hedging	Hedging	USD 0.50	USD 0.60	33.13	37.50

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

Particulars	This year		Previous Year	
	Amount in foreign currency (in Crores)	Amount in Rs. Crores	Amount in foreign currency (in Crores)	Amount in Rs. Crores
Current liabilities	USD 0.03	2.08	USD 0.01	0.47
	EUR 0.006	0.45	EUR 0.004	0.25
	JPY 0.08	0.05	JPY 0.02	0.01
	GBP 0.0001	0.01	GBP 0.0001	0.01
Current Assets	USD 0.745	49.33	USD 0.565	35.30

13. Secured loan

a. Short term working capital borrowings from banks:	
(i) Company	
1. Loans from banks on cash credit account of Rs. 96.24 Crores (2014-15 – Rs.101.27 Crores) are secured by first pari passu charge on whole of the current assets, both present and future, of the company (except Shriram Bioseed Genetics, Hyderabad and Bioseed Research India, Hyderabad). These loans are further secured by a third charge by way of mortgage/hypothecation of all the immovable/movable properties (other than current assets) of the Company's undertakings at Kota in Rajasthan and Ajbapur, Rupapur, Loni and Hariawan in Uttar Pradesh. Amount of Rs. 2.50 Crores (2014-15 – Rs. Nil) is secured by exclusive charge by way of hypothecation on current assets and mortgage/hypothecation on the immovable and movable properties, both present and future of the Company's undertakings at Shriram Bioseed Genetics, Hyderabad.	
2. Short Term Loans of Rs. 321.69 Crores (2014-15 - Rs. 196.53 Crores) are secured by first pari passu charge on whole of the current assets, both present and future, of the Company (except Shriram Bioseed Genetics, Hyderabad and Bioseed Research India, Hyderabad), and a third charge by way of mortgage/hypothecation of all the immovable/movable properties (other than current assets) of the Company's undertakings at Kota in Rajasthan and Ajbapur, Rupapur, Loni and Hariawan in Uttar Pradesh.	
(ii) Joint Venture	
Shriram Axial Private Limited	
1. Short Term Loan of Rs. 2.44 Crores (2014-15 – Rs. Nil) is secured by hypothecation of stocks, book debts and machinery of the Company.	
b. Long term loans from banks:	
Nature of Security	Terms of Repayment
(i) Company	
1. Term Loan of Rs. Nil (2014-15 -Rs. 31.25 Crores) is secured by way of first pari -passu mortgage/charge created on immovable/movable fixed assets, both present and future, of the company's undertaking at Loni Sugar Complex, Uttar Pradesh and Rs. Nil (2014-15- Rs. 10.42 Crores) is secured by way of first charge created on movable fixed assets, both present and future, of the company's undertaking at Rupapur Sugar Complex, Uttar Pradesh (Rs. Nil due within 1 year; 2014-15- Rs. 41.67 Crores)	-
2. Term loan of Rs. 96.86 Crores (2014-15 – Rs. 96.86 Crores) is secured by way of second pari passu charge created on all the current assets, both present and future, of the Company (except Shriram Bioseed Genetics, Hyderabad and Bioseed Research India, Hyderabad) and by way of third pari passu mortgage /charge created on immovable/movable fixed assets, both present and future, of sugar units of the Company located at Ajbapur, Rupapur, Hariawan and Loni. (Rs. 32.29 Crores due within 1 year; 2014-15- Rs. Nil)	- Rs. 96.86 crores repayable in 36 equal monthly installments commencing from April 2016.

Notes forming part of the Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED

3.	Term loan of Rs. 163.53 Crores (2014-15- Rs. Nil) is secured by way of first pari passu mortgage/charge created on immovable and movable Fixed assets, both present and future, of the Company's undertakings at Kota, Rajasthan (Rs. 29.72 Crores due within 1 year; 2014-15-Rs. Nil)	- Rs. 163.53 crores repayable in 11 equal semi annual installments
c. Long term loan from others:		
(i) Company		
1.	Term loan of Rs. Nil (2014-15- Rs. 192.31 Crores) is secured by way of first pari passu mortgage/charge created on immovable and movable assets (excluding current assets), both present and future and a second charge ranking pari passu on the current assets, both present and future, of the Company's undertakings at Kota, Rajasthan and Jhagadia, Distt Bharuch in equal proportion (Rs. Nil due within 1 year; 2014-15-Rs. 48.08 Crores)	-
2.	Term loan of Rs. Nil (2014-15- Rs 12.50 Crores) is secured by way of first pari passu mortgage/charge created on immovable and movable assets (excluding current assets), both present and future and a second charge ranking pari passu on the current assets, both present and future, of the Company's undertakings at Kota, Rajasthan (Rs. Nil due within 1 year; 2014-15-Rs. 12.50 Crores)	-
3.	Term loan of Rs. 2.92 Crores (2014-15- Rs. 8.25 Crores) is secured by way of first pari passu mortgage/charge created on immovable/movable assets (excluding current assets), both present and future and a second charge ranking pari passu on the current assets, both present and future, pertaining to the Company's Hariawan Sugar Complex, Uttar Pradesh (Rs. 2.92 Crores due within 1 year; 2014-15-Rs. 5.49 Crores)	- Rs. 2.92 crores repayable in 1 semi-annual installment
4.	Term loan of Rs. 15.98 Crores (2014-15- Rs. 21.30 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts), both present and future, pertaining to the Company's Ajbapur Sugar Complex, Uttar Pradesh (Rs. 5.33 Crores due within 1 year; 2014-15-Rs. 5.33 Crores)	- Rs. 15.98 crores repayable in 3 equal annual installments
5.	Term loan of Rs. 3.28 Crores (2014-15- Rs. 6.56 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts), both present and future, pertaining to the Company's Hariawan Sugar Complex, Uttar Pradesh (Rs. 3.28 Crores due within 1 year; 2014-15-Rs. 3.28 Crores)	- Rs. 3.28 crores repayable in 4 quarterly installments
6.	Term loan of Rs. 14.24 Crores (2014-15- Rs. 14.24 Crores) is secured by way of an exclusive second charge on all immovable and movable assets (save and except book debts) both present and future, pertaining to the Company's Rupapur Sugar Complex, Uttar Pradesh (Rs. 2.84 Crores due within 1 year; 2014-15-Rs. Nil)	- Rs. 14.24 crores repayable in 5 annual equal installments commencing from December 2016
7.	Term Loan of Rs. 7.52 Crores (2014-15- Rs. 9.68 Crores) is secured by way of a exclusive second charge on all immovable and movable assets (save and except book debts) both present and future, pertaining to the Company's Loni Sugar Complex, Uttar Pradesh (Rs. 2.15 Crores due within 1 year; 2014-15-Rs. 2.15 Crores)	- Rs. 7.52 crores repayable in 7 equal semi-annual installments
8.	Term loan of Rs. 2.78 Crores (2014-15- Rs. 2.53 Crores) from Department of Biotechnology, Government of India is secured against hypothecation of plant and machinery, machinery spares, tools and accessories acquired from the loan proceeds by Bioseed Research India division. (Rs. 0.36 Crores due within 1 year; 2014-15 - Rs. 0.29 Crores)	- Rs. 0.15 crores repayable in 5 equal annual installments - Rs. 1.54 crores repayable in 6 equal annual installments - Rs. 0.72 crores repayable in 10 equal semi-annual installments commencing from December 2016. - Rs. 0.37 crores repayable in 10 equal semi-annual installments commencing after one year from the completion of the project
(ii) Subsidiary		
1.	Shri Ganpati Fertilizers Limited	
	Loan of Rs. 0.16 Crore (2014-15 - Rs. 0.16 Crore) from a bank is secured by hypothecation of assets purchased (Rs. 0.16 crores due within 1 year; 2014-15- Rs. 0.16 crore)	- Rs. 0.16 crores repayable in 12 monthly instalments

14. Deposits received under Section 76 of the Companies Act, 2013 are repayable upto March 2018 based on the maturity dates (Rs. 0.07 crores due within 1 year; 2014-15 - Rs. 0.57 crores).

15. The Company has taken credit of Rs 85.54 crores during the current year, pursuant to notification of cane subsidy of Rs 28.60/- per quintal for sugar season 2014-15, by Government of Uttar Pradesh.

16. Employee Benefits

The Company has classified the various benefits provided to employees as under:-

i) Defined contribution plans

The Company has recognized the following amounts in the statement of profit and loss:

	Rs. Crores	
	This Year	Previous Year
- Employers' contribution to provident fund	19.99	18.48
- Employers' contribution to superannuation fund	7.37	7.04
- Employers' contribution to employees' state insurance corporation	0.19	0.26

Notes forming part of the Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED

ii) Defined benefit plans

- Gratuity
- Compensated absences – Earned leave/ sick leave

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

	Gratuity (Partially funded)		Compensated absences			
			Earned leave (Unfunded)		Sick leave (Unfunded)	
	This year	Previous year	This year	Previous year	This year	Previous year
Discount rate (per annum)	7%-8%	7%-8%	7%-8%	7%-8%	7%-8%	7%-8%
Future salary increase	7%	7%	7%	7%	7%	7%
Expected rate of return on plan assets	8.75%	8.75%	-	-	-	-
In service mortality	*	*	*	*	*	*
Retirement age	58/60 years	58/60 years	58/60 years	58/60 years	58/60 years	58/60 years
Withdrawal rates:						
- upto 30 years	3%	3%	3%	3%	3%	3%
- upto 44 years	2%	2%	2%	2%	2%	2%
- above 44 years	1%	1%	1%	1%	1%	1%
I. Expense recognised in statement profit and loss						
Current service cost	6.43	6.17	5.01	4.37	2.41	2.42
Interest cost	7.17	7.01	2.99	2.63	1.91	1.72
Expected return on plan assets	(0.19)	(0.16)	-	-	-	-
Net actuarial (gain) / loss recognised in the year	2.26	2.89	2.74	2.52	(3.43)	(1.95)
Total expense	15.67	15.91	10.75	9.52	0.90	2.19
II. Net asset/(liability) recognised in the balance sheet						
Present value of Defined benefit obligation	101.07	94.22	46.09	40.35	24.57	23.68
Fair value of plan assets	2.49	2.06	-	-	-	-
Funded status surplus/(deficit)	(98.58)	(92.16)	(46.09)	(40.35)	(24.57)	(23.68)
Net asset/(liability)	(98.58)	(92.16)	(46.09)	(40.35)	(24.57)	(23.68)
Non-current liability	(84.03)	(77.56)	(39.89)	(35.15)	(17.01)	(17.60)
Current liability	(14.55)	(14.60)	(6.20)	(5.20)	(7.56)	(6.08)
III. Change in the present value of obligation during the year						
Present value of obligation as at the beginning of the year	94.22	85.59	40.35	35.19	23.68	21.80
Interest cost	7.17	7.01	2.99	2.63	1.91	1.72
Current service cost	6.43	6.17	5.01	4.37	2.41	2.42
Benefits paid	(9.02)	(5.77)	(5.00)	(3.70)	-	-
Actuarial (gains) / losses on obligation	2.27	2.90	2.74	2.52	(3.43)	(1.95)
Transfer of Textile unit pursuant to slump sale	-	(0.74)	-	(0.21)	-	(0.08)
Adjustment related to joint Venture	-	(0.94)	-	(0.45)	-	(0.23)
Present value of obligation as at the end of the year	101.07	94.22	46.09	40.35	24.57	23.68
IV. Change in fair value of assets during the year						
Fair value of plan assets at the beginning of the year	2.06	1.84	-	-	-	-
Expected return on plan assets	0.19	0.16	-	-	-	-
Employer Contribution	0.39	0.28	-	-	-	-
Actual benefits paid	(0.14)	(0.23)	-	-	-	-
Actuarial (gains)/losses on planned assets	(0.01)	0.01	-	-	-	-
Fair value of plan assets at the end of the year	2.49	2.06	-	-	-	-
Actual return on plan assets	0.18	0.17	-	-	-	-
V. Expected contribution to the fund in the next year	0.57	0.28				
Note:						
(i) The plan assets are maintained with LIC of India Gratuity Scheme. The details of investment maintained by LIC are not available and have therefore not been disclosed.						
(ii) The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.						

* IALM (2006-08) duly modified

Notes forming part of the Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED

Rs. Crores

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

Rs. Crores

Particulars	2015-16			2014-15			2013-14			2012-13			2011-12		
	Gratuity (partially funded)	Earned leave	Sick leave	Gratuity (partially funded)	Earned leave	Sick leave	Gratuity (partially funded)	Earned leave	Sick leave	Gratuity (partially funded)	Earned leave	Sick leave	Gratuity (partially funded)	Earned leave	Sick leave
Present value of obligation as at the end of the year	101.07	46.09	24.57	94.22	40.35	23.68	85.59	35.19	21.80	76.81	31.44	19.53	69.58	28.39	17.77
Fair value of plan assets at the end of the year	2.49	-	-	2.06	-	-	1.84	-	-	1.43	-	-	0.95	-	-
Surplus / Defecit in plan assets	(98.58)	(46.09)	(24.57)	(92.16)	(40.35)	(23.68)	(83.75)	(35.19)	(21.80)	(75.38)	(31.44)	(19.53)	(68.63)	(28.39)	(17.77)
Experience adjustment on plan assets [(Gain)/(loss)]	(0.01)	-	-	0.01	-	-	0.05	-	-	-	-	-	-	-	-
Experience adjustment on plan liabilities [(Gain)/ loss]	2.27	2.74	(3.43)	2.90	2.52	(1.95)	3.65	1.97	(1.28)	2.82	(1.30)	(1.30)	3.44	1.79	(1.13)

17. The proportionate share (i.e. 50%) of assets and liabilities as at March 31, 2016 and income and expenses for the year ended March 31, 2016 of Shriram Axial Private Limited as per its audited financial statements are given below:

Rs. Crores

Particulars	As at March 31, 2016	As at March 31, 2015
Liabilities:		
Non-current liabilities:		
- Long-term provisions	1.80	1.69
Current liabilities		
- Short-term borrowings	2.44	9.42
- Trade payables	6.61	8.74
- Other current liabilities	0.79	0.65
- Short-term provisions	0.40	0.27
Total	12.04	20.77
Assets:		
Non-current assets		
- Fixed assets (including capital work in progress)	7.89	8.33
- Long-term loans and advances	0.26	0.10
- Deferred tax assets	0.40	0.48
Current assets		
- Inventories	9.16	11.20
- Trade receivables	11.35	15.55
- Cash and bank balances	1.17	2.02
- Short-term loans and advances	1.85	2.50
Total	32.08	40.18
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Sale of Products	70.95	64.59
Other income	0.49	0.21
Total Revenue	71.44	64.80
Expenses		
- Cost of materials consumed	37.88	38.23
- Purchase of stock in trade	17.45	19.84
- Change in inventory of finished goods, work-in-progress and stock in trade	2.59	(3.76)
- Employee benefits expense	4.41	3.81
- Finance costs	0.14	0.31
- Depreciation and amortization cost	0.74	1.02
- Other expenses	7.28	5.71
Total Expenses	70.49	65.16
Tax Expense	0.31	(0.12)
Capital commitments	0.04	0.18
Contingent Liabilities	0.21	-

Notes forming part of the Consolidated Financial Statements (Continued)

DCM SHRIRAM LIMITED

18. 'Excise duty' on sales has been deducted from gross sales on the face of statement of profit and loss. 'Increase/ (decrease) in excise duty on finished goods' has been shown under the head "Other expenses" in note 2.25.

19. Employee share based payments

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

20. Statement containing salient features, pursuant to Schedule III of the Companies Act 2013, of subsidiaries and joint ventures as per standalone financial statements of each entity (before adjustments of intra-group transactions/balances):

Particulars	Net Assets		Share in Profit /(loss)	
	As % of consolidated net assets	Amount (Rs. Crores)	As % of consolidated profit /(loss)	Amount (Rs. Crores)
Parent				
DCM Shriram Limited	102.21%	2,144.92	117.85%	350.26
Subsidiaries				
Indian				
DCM Shriram Credit and Investments Limited	(0.02%)	(0.34)	(0.96%)	(2.86)
Bioseed India Limited	-	0.01	-	-
DCM Shriram Infrastructure Limited	(0.03%)	(0.70)	(0.04%)	(0.11)
Fenesta India Limited	0.01%	0.19	0.01%	0.03
Shri Ganpati Fertilizers Limited	(1.22%)	(25.65)	(1.10%)	(3.26)
Hariyali Rural Ventures Limited	0.08%	1.66	(0.02%)	(0.07)
DCM Shriram Aqua Foods Limited	0.15%	3.16	0.00%	0.01
Shriram Bioseed Ventures Limited	1.14%	23.82	0.04%	0.12
Foreign				
Bioseeds Limited	5.78%	121.37	0.12%	0.36
Bioseed Holdings PTE Limited	2.05%	43.07	(0.77%)	(2.28)
Bioseed Research Philippines Inc.	(1.56%)	(32.69)	(7.95%)	(23.63)
Bioseed Vietnam Limited	(1.22%)	(25.59)	(4.55%)	(13.53)
PT Shriram Seed Indonesia	0.96%	20.17	(1.77%)	(5.26)
PT. Shriram Genetics Indonesia	(0.14%)	(2.96)	(0.19%)	(0.55)
Shriram Bioseed (Thailand) Limited	0.02%	0.37	(0.72%)	(2.15)
Bioseed Research USA Inc.	0.00%	0.10	(0.00%)	(0.01)
Minority Interest	-	(2.82)	-	-
Joint Venture (Indian)				
Shriram Axiall Private Limited	0.95%	20.04	0.21%	0.63

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

22. Notes 1 to 22 form an integral part of the financial statement.

Signatures to Notes 1 to 22

SAMEET GAMBHIR
Company Secretary

J.K. JAIN
Chief Financial Officer

S.S. BAIJAL
Director
DIN: 00027961

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

New Delhi
May 10, 2016

13

Notice

Registered Office:
1st Floor, Kanchenjunga Building,
18, Barakhamba Road, New Delhi-110001
Tel : 011-23316801, Fax : 011-23318072
CIN : L74899DL1989PLC034923
E-mail : response@dcmshriram.com
Website : www.dcmshriram.com

Notice is hereby given that the Twenty Seventh Annual General Meeting of DCM Shriram Limited will be held on Tuesday, the 9th August, 2016 at 10.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi to transact the following businesses:

Ordinary Business:

1. To consider and adopt:
 - (a) the audited financial statements of the Company for the financial year ended 31st March, 2016, the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2016.
2. To declare a final dividend and to note the payment of interim dividends on Equity Shares for the financial year 2015-16.
3. To appoint a Director in place of Shri K.K. Kaul (DIN 00980318), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Sharad Shrivastva (DIN 01271854), who retires by rotation and being eligible offers himself for re-appointment.
5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No.015125N), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors or a Committee thereof or its other delegate."

Special Business:

6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2016-2017, as detailed in the explanatory statement to this notice, be and is hereby ratified and confirmed.
RESOLVED FURTHER THAT the Board of Directors or Committee thereof or its other delegate be and is hereby authorized to do all such acts, deeds, things as may be required in connection therewith as they may deem appropriate."
7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 149, read with Section 6 and Memorandum and Articles of Association of the Company and other applicable provisions, if any, (including modification and re-enactment thereof) of the Companies Act, 2013, the consent of the Members be and is hereby accorded for increase in the number of maximum Directors on the Board of the Company upto 18 Directors.
RESOLVED FURTHER THAT the Board of Directors or a Committee thereof or its other delegate, be and are hereby authorised to take all necessary steps and actions, which are incidental and consequential to give effect to the above resolution."

By Order of the Board

New Delhi
May 10, 2016

Sameet Gambhir
Company Secretary
Membership No.: F4658

Notes:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. **A Member entitled to attend and vote is entitled to appoint a proxy/proxies to attend and vote instead of himself and the proxy/proxies need not be a Member of the Company. A Proxy Form is sent herewith.**
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such a person shall not act as a proxy for any other person or Member.
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. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Share Transfer Books and the Register of Members of the Company will remain closed from 2.8.2016 to 9.8.2016 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the final dividend for 2015-16 if declared by the Members.
4. Details under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment at the Annual General Meeting, form integral part of the Notice. The Directors have furnished the requisite declarations for their appointment.
5. In terms of Notification issued by the Securities and Exchange Board of India (SEBI), Equity Shares of the Company are under compulsory demat trading by all investors w.e.f. 21st March, 2000. Members are, therefore, advised to dematerialise their shareholding to avoid inconvenience in trading in the shares in the Company.
6. Electronic Copy of Notice of the 27th Annual General Meeting of the Company inter alia indicating the manner of electronic voting ('e-voting') along with Explanatory Statement attendance slip, proxy form and route map is being sent to all the members whose email IDs are registered with Company/Depository Participant(s) for communication purpose 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 27th Annual General Meeting

of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.

7. Members may also note that the Notice of 27th Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for 2016 will also be available on the Company's website i.e. www.dcmshriram.com for their download.
8. Members holding shares in Physical form, are requested to intimate their change in address/Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to M/s. MCS Share Transfer Agent Ltd., the Registrar and Share Transfer Agent (RTA), F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 along with a cancelled cheque and proof of change of address, as applicable. Beneficial owners holding shares in electronic form are requested to intimate their change in address/Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP) in order to get the same registered.
9. **Members who are holding shares in physical form in identical names in more than one folio are requested to write to RTA enclosing their Share Certificate(s) to enable the Company to consolidate their holding into one folio.**
10. In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, application for : (i) transfer of physical shares (ii) Deletion of name of the deceased shareholder(s) where the shares are held in the name of two or more shareholders (iii) Transmission of shares to the legal heir(s)/representative(s), where deceased shareholder was the sole holder of shares (iv) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders has to be accompanied with a self-attested copy of their Income Tax PAN Cards along with the other documents to the RTA irrespective of the value of the transaction. Further in case of registration of transfer of shares in physical form, in addition to the documents as stated a self attested copy of Income Tax PAN Card of both transferor(s) and transferee(s) shall also be furnished to the Company.
11. Pursuant to Sections 205A and 205B of the Companies Act, 1956, the dividends upto the financial year 1994-95 which remained unpaid/unclaimed had been transferred to the General Revenue Account of the Central Government which can be claimed from it.
Pursuant to the amended provisions of Sections 205A, 205B and 205C of the Companies Act, 1956, the Company has transferred the unpaid final dividend for the financial year 2007-08 to Investor Education and Protection Fund (the Fund) for which no claim shall lie against the Company or the Fund. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 18.8.2015 (date of last Annual General Meeting) on the website of the Company (www.dcmshriram.com), as also on the website of the Ministry of Corporate Affairs. Members of the Company who have not yet encashed their dividend warrant(s) for the financial year ended 31.3.2009 and onwards are requested to write to the Company immediately.
12. In terms of Section 72 of the Companies Act, 2013 and related rules thereunder, a Member of the Company may nominate a person on whom the Shares held by him/her shall vest in the event of his/her death. Member(s) desirous of availing this facility may submit nomination in the prescribed Form SH-13 to the Company/RTA in case shares are held in Physical form, and to their respective depository participant, if held in electronic form.
13. **Members are requested to register/update their e-mail addresses for receiving all communications including Annual Reports, Notices, Circulars, etc. from the Company electronically.**
14. **Re-appointment of Directors**

The information, as required under the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, in relation to the re-appointment of Directors is as under:

Name of the Director	Shri K.K. Kaul	Shri Sharad Shrivastva
Date of Birth & Age	30.3.1950 (66 years)	17.1.1960 (56 years)
Nationality	Indian	Indian
Date of Appointment on the Board of the Company	2.7.2014	2.7.2014
Qualification	BE in Chemical Engineering and Doctorate Degree in Human Letters	B.A. Associate (III)
Experience	36 years	33 years
Expertise in Functional Areas	General Management, Project Management, Supply Chain Management, Operation of Process Plants and HR	Administration, Governance, HR & Marketing
Directorships held in other Companies	- Fertilizer Association of India - DCM Shriram Foundation	NIL
Chairman/Member of the Committee(s) of the Board of Directors of the Company and other listed entities	NIL	NIL
Number of shares held in the Company	59,000	NIL
Number of Board Meetings attended during the year	5	2
Relationship with other Directors, Manager and other Key Managerial Personnel	N.A.	N.A.

Manager (Co. Law) at 011-23316801 (Email: amitmehra@dcmsshriram.com/ykgupta@dcmsshriram.com). If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 2.8.2016.
- X. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 2.8.2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Registrar and Transfer Agent (RTA) of the Company.
- XI. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.
- XII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.dcmsshriram.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai & National Stock Exchange of India Ltd., Mumbai.

EXPLANATORY STATEMENT

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

ITEM NO.6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March, 31, 2017 as per the following details:

M/s. Bahadur Murao & Co., Cost Accountants, New Delhi and M/s. J.P. Sarda & Associates, Cost Accountants, Kota were appointed as Cost Auditors for the financial year 2016-17, to audit the cost accounting records for its products for a total remuneration upto Rs.3.85 lacs.

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

Accordingly, confirmation of the Members is sought for passing an Ordinary Resolution as set out at Item No.6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

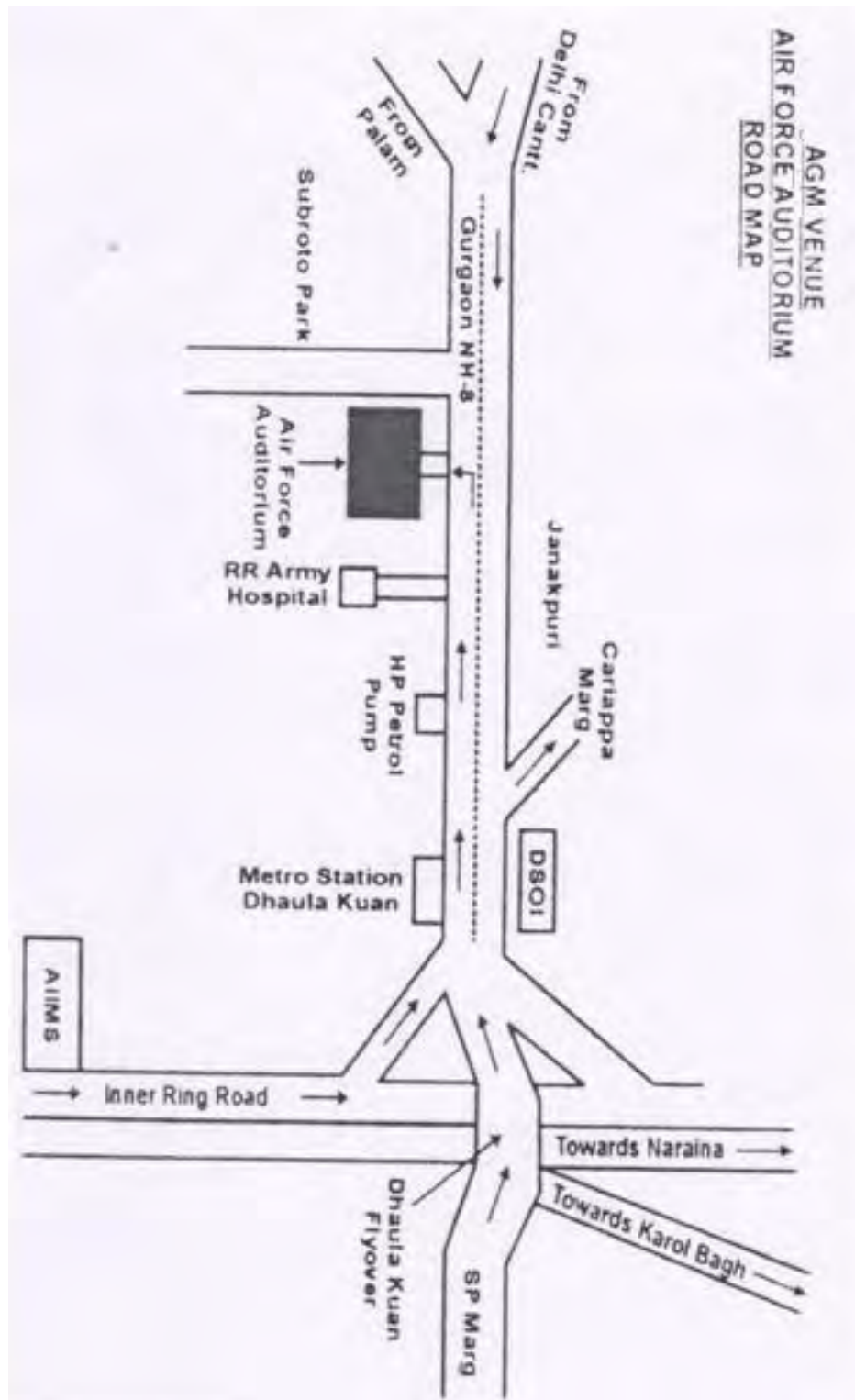
None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

ITEM NO. 7

Pursuant to Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Company may have maximum 15 Directors on its Board and it can be increased with the approval of the Members through a Special Resolution.

In anticipation of future requirements, approval of the Members is sought to increase the number of Directors on the Board upto 18 Directors. The Board recommends the Special Resolution as set out at Item No.7 of the Notice for approval by the Members.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.



Nearest Landmark :- Dhaula Kuan Metro Station

