



## “DCM Shriram Limited”

July 25, 2023

**Board of Directors:** Mr. Ajay S. Shriram, Chairman and Senior Managing Director  
**(“Management”)** Mr. Vikram S. Shriram, Vice Chairman and Managing Director  
Mr. Ajit S. Shriram, Joint Managing Director  
Mr. Aditya A. Shriram, Deputy Managing Director  
Mr. K. K. Sharma, Whole-Time Director and Head of the EHS Function  
Mr. Pradeep Dinodia, Independent Director, Chairman of the Board Audit Committee, Nomination, Remuneration & Compensation Committee and Stakeholders Relationship Committee  
Mr. Sunil Kant Munjal, Independent Director  
Mr. Vimal Bhandari, Independent Director  
Ms. Ramni Nirula, Independent Director  
Mr. Pravesh Sharma, Independent Director  
Justice Vikramajit Sen, Independent Director  
Ms. Sarita Garg, Director nominated by LIC of India

**Auditors:** Mr. Vijay Agarwal, Partner, M/s Deloitte Haskins & Sells, Statutory Auditors  
Mr. Kapil Dev Taneja, Partner, M/s Sanjay Grover and Associates, Secretarial Auditors

**Moderator:**

Dear shareholders, Good morning and a very warm welcome to the 34<sup>th</sup> Annual General Meeting of DCM Shriram Limited through video conferencing or other audio-visual facility. As a reminder for the smooth conduct of the meeting, the members will be in the mute mode and audio and video will be opened, when they will speak at the AGM as per the pre-registration. Please note that, for the requirements, the proceedings of the Annual General Meeting will be recorded and available on the website of the company. I now hand over the proceedings to Mr. Ajay S. Shriram, Chairman and Senior Managing Director of the company. Thank you and over to you, sir.

**Ajay S. Shriram:**

Thank you very much. Dear shareholders, ladies and gentlemen, good morning and a very warm welcome to the 34<sup>th</sup> Annual General Meeting of your company. This is the fourth consecutive year that, we are connecting with you all for the AGM through virtual mode. I hope and pray that all of you are safe and well. In this virtual meeting, I believe that a large number of shareholders have logged in reflecting your faith and interest in the company.

I sincerely hope that we will be able to have a face-to-face meeting next year, as it is always a pleasure to interact with all of you. Our Company Secretary tells me that the quorum is complete, so we can now begin the meeting. I would like to place on record that all the efforts feasible under the current circumstances have been made by the company to enable the members to participate and vote on the items being considered in this meeting.

Before we move on to the business, I would like to introduce the Board members on the screen in front of you. Starting from the top row, on the extreme left of the screen in front of you is Mr. Sunil Kant Munjal, an Independent Director of your company. Next to him is Mr. Vimal Bhandari, also an Independent Director of your company. Next to him is Ms. Ramni Nirula, an Independent Director of your company. Next to her is Mr. Pravesh Sharma, another Independent Director of your company.

Now in the middle row, on the extreme left at the screen in front of you, is Mr. Ajit S. Shriram, Joint Managing Director of your company. Next to him is Mr. Vikram S. Shriram, Vice Chairman and Managing Director of your company. On my images right on the screen in front of you is Mr. Pradeep Dinodia, an Independent Director since 1994 and the Chairman of the audit committee of your company.

Coming to the bottom row, on the extreme left at the screen, is Justice Vikramajit Sen, an Independent Director of your company. Next to him is Mr. Aditya A. Shriram, Deputy Managing Director of your company. Next to him is Ms. Sarita Garg, a Director nominated by LIC of India. And next to her is Mr. K K Sharma, Whole-Time Director and Head of the EHS Function of your company.

The representative of Statutory Auditors, Mr. Vijay Agarwal, Partner, M/s Deloitte Haskins & Sells, and the representative of Secretarial Auditors for the financial year 2022-23. Mr. Kapil Dev Taneja, Partner, M/s. Sanjay Grover and Associates, Company Secretaries are also

connected here. I hope you must have received and read the notice of the meeting of the AGM, which I will take as read. I will now share some thoughts and my speech with all of you.

I will now commence a brief outlining of the economic environment during the current financial year, followed with a review of how the company fared during this period. The start of financial year 2022-23 was challenging with uncertainties arising from the Russia-Ukraine conflict and lockdowns in China because of rise in COVID cases.

The global uncertainties peaked in the first half of the year and started correcting in the second half. During the year, the Indian economy has remained remarkably resilient despite global uncertainties on account of supply chain disruptions, elevated energy prices, and slowing down in the global growth. Policy measures ensure that India was able to arrive at a fine balance between growth and inflation.

The momentum in the economy remains strong. Inflation too has moderated and interest rates are likely to remain stable. Government's lead in undertaking capital expenditure has had a multiplier effect and will support further investment by the private sector. A potential risk to economic growth can be the possibility of El Nino, particularly for a company like ours, with a significant linkage to the agriculture sector.

So far, the monsoon season has progressed satisfactorily. High energy prices and global geopolitical uncertainties remain as impediments that businesses need to live with. Let me now review the performance of the company during financial year 2022-23. I will restrict myself to the broad trends.

During the financial year 2022-23, the company's overall financial performance was satisfactory despite the challenges arising from high energy prices, inflationary pressures, and supply chain disruptions. The company's consolidated revenue from operations excluding excise duty increased to INR11,547 crores versus INR9,627 crores last year. The Chlor-Alkali business registers a growth in revenue of about 27% driven by higher realizations in the first nine months of the year and higher volumes.

Vinyl business revenues were lower by 31% on account of decline in realizations. Revenue for the sugar business increased by 21% on account of higher domestic and export volumes and higher realizations in sugar as well as ethanol. Shriram Farm Solutions business registered a 9% growth in revenue, led by better prices and a larger product mix.

Fenesta business registered a growth of 32%, led by volumes and prices. The order book was also up 23% year-on-year. The fertilizer business revenue grew by 50%, led by higher gas prices, which is a pass-through. And revenue for bioseed business grew by 19%, led by volumes. Profit before depreciation, interest and tax was at INR1,726 crores, which was lower by 9% as compared to the last year. The decline was mainly on account of 84% reduction in PBDIT in the Vinyl business due to a sharp fall in product prices from the historical highs and continued high energy costs.

The Chlor-Alkali business PBDIT recorded an increase of 15% as margins improved with higher average realizations in the first three quarters. Sugar business recorded a decline of 20%

in PBDIT as the increase in sugarcane cost was not fully compensated by increase in sugar prices. Sugar volumes were better than the last year.

Agri Input Business or Shriram Farm Solutions recorded a 37% growth in PBDIT, led by better margins across product categories. We are today leaders in the research wheat seed. Fenesta business also recorded a 70% growth in PBDIT, led by higher volumes and better margins. The fertilizer business recorded a 62% growth in PBDIT, led by upward revision of energy norms and better gas prices. Bio Seed PBDIT also improved, while cement business was in losses due to high energy prices. The net impact of the above was that, the overall company PBDIT margin declined to 15% from about 20%, last year.

The overall net profit on standalone basis for financial year '23 was INR961 crores, lower by 8% from INR1,049 crores in financial year '22. It was down by 15% on a consolidated basis from INR1,067 crores in financial year '22 to INR911 crores in financial year '23. Net debt as on March 31, 2023 stood at INR681 crores vis-a-vis INR4 crores as on March 31, 2022.

Our balance sheet continues to be strong, driven by healthy operating cash flows. It enables us to invest continuously in growth, as well as manage business uncertainties. The company continues to make substantial capital investments across businesses for their long-term growth. Projects worth INR591 crores were commissioned during the year. This includes a 120 KL per day multi-feed distillery and a 3,000 tons per day expansion at Ajbapur complex, coupled with conversion of Ajbapur sugar unit to refined sugar. The 8,000 tons per day crush capacity conversion to refined sugar at the Hariawan Sugar Factory also was done.

Anhydrous Aluminum Chloride capacity was expanded by 32,850 tons per annum at Bharuch. Several new projects will go on stream at the Bharuch complex in the financial year 2023-24. These will add to our operating and financial strength going forward. Among the major ones are 850 tons per day caustic soda plant expansion, hydrogen peroxide facility with the capacity of 52,500 tons per annum, Epichlorohydrin facility with the capacity of 51,000 tons per annum, and 120 megawatt coal-based new power plant plus 50 megawatts of renewable power.

Further, the sugar business will commence manufacture of sulfate of potash with a capacity of 4,600 tons per annum. Fenesta business systems will complete the expansion at Kota. And Shriram Farm Solutions will start manufacturing water-soluble fertilizers and bio-products at Kota, Rajasthan. Sulfate of potash and water-soluble fertilizers and bio-fertilizers, etcetera, are being manufactured by subsidiaries of DCM Shriram Limited.

Your company gives the highest importance to its employees and appreciates their contribution in driving the company's performance. We continue to invest in our people in terms of training and exposure to best practices. We adopt a well-rounded approach with our employees to keep them engaged, motivated, and ensure their overall well-being. A concerted effort is underway to ensure diversity and gender balance amongst our employees.

The company has a strong focus on sustainability. As a responsible corporate, we are fully sensitive to the challenges, we face due to climate change and have therefore proactively initiated corrective measures to mitigate its impact as part of our sustainability strategy. We are

amongst the top 7% in the global chemical industry group in which, S&P Global assessed 529 chemical companies worldwide this year.

Our assessments ESG score for financial year 2022-23 improved significantly to reach 57 out of a hundred against 21 scored last year. We already are 12x water positive and 42% of the total direct energy consumed in our operations is green. We also have entered into an agreement with ReNew Power for sourcing of green energy, that is hybrid solar and wind power. The initial supply has already started.

We are pleased to share the substantial progress, we have made in our CSR initiatives. With a focus on holistic development and water in agriculture, we have strengthened our commitment to sustainable practices that positively impact communities. In the past year, we have conducted two impact assessments for our programs, and in the coming year, periodic evaluations of all our projects will ensure their effectiveness and alignment with our organizational goals.

Work in our focus areas of livelihood, healthcare, education, and environment are being undertaken in a manner that its benefits are ongoing rather than being restricted to a one-time improvement. I would like to take this opportunity to thank the Directors on our Board for their continuous and constant guidance and support. On behalf of the Board, I extend our sincere gratitude to all our employees for the commitment towards the organization.

Once again, this AGM has been made possible by the dedication of a secretarial, finance, IT and corporate communications teams. I would like to also thank all our customers, dealers, government authorities, financial institutions, bankers, auditors, suppliers, and all business associates for their continued trust in us. Finally, and equally importantly, I would like to place on record our sincere appreciation to all our shareholders, who have supported us at all times. Thank you very much.

Now ladies and gentlemen, coming back to the AGM business. Since the auditor's report is not qualified or modified, there is no need to read the auditor's report. We now, therefore, proceed further. The proposed resolutions have already been with you. I now invite the shareholders, who have registered themselves as speakers to speak or ask the questions. I request the operator to please connect with them.

**Moderator:** Thank you very much, sir. Ladies and gentlemen, we will now begin the question and answer session. In the interest of time, may I request you to restrict your question or comments to three minutes. I now invite the first speaker shareholder, Mr. Praveen Kumar, folio number IN30011810449827. Please unmute your audio and video from your device and proceed with your question.

**Praveen Kumar:** A very, very good morning to my respective chairperson, well decorated esteemed Board of Director and my co-fellow shareholders who is in this meeting online. Sir, myself, Praveen Kumar joining this meeting from New Delhi. First of all, respective chairperson, thank you very much for your very, very elaborate speech to the shareholders. I think you cover almost everything.

It's a parampara in our company that you are very, very dedicated in your speech. It was very, very crafted and you cover everything, what we did, where we stand and what the future is like. I do accept with you 100% that yes, in the global scenario, there are so many concerns that will impact a bit positively, a bit negatively to India also.

The microeconomic situation in India is a deepest concern. But despite the fact, I salute you and your leadership that in every vertical, we come out as a winner, if you see the broader picture of it. Because our tagline says, we are growing with trust. We earn trust and everything follows. That's truly the spirit of the company, which I truly believe, sir. And I'm part of our organization for more than a decade.

And when we used to meet physically, it was always a healthy discussion that really shows that yes, our company is very, very investor friendly approach to bring sustainable growth to the retail investor on a long term basis. And you prove yourself over time. Sir, I supported all the resolution, which you set out for the notice.

A special mention, a special remark, I welcome respected Aditya Shriramji, wholeheartedly into our company because we inducted as Deputy MD in our company, but before that, he proved himself for more than a decade for different vertical in our company, working in different vertical in the company. And when he's ready to take our company to the near height, our respected Chairman and Board of Director has inducted in. So, a great welcome Aditya sir, to our company and I am very, very sure that your education, your knowledge, your expertise in a company will be very, very fruitful for the long term time to come.

A great welcome sir and sir, one more thing, which I love to share on this board is, under your leadership, the higher standard of corporate governance we follow in our company, we will be very, very promptly updated by our respected company secretary and the entire team. I think Sameet Gambhirji has ample experience in multinational company, which is very, very big asset for us and I'm very, very thankful. If you have any queries during time also even during COVID also, I myself sending two, three queries that will be promptly replied and so, I'm very, very thankful to be part of such a legacy, to such an interesting company, interesting story and I wish you all the very, very best for the future and all the luck, sir.

I just pray to the God that, he will enlighten you so that you will take the glory of our company to the near height in the future. I am very, very thankful to the entire management team to give me this platform to share my views and opinion for more than a decade. Thank you. Thank you very much respected sir.

**Ajay S. Shriram:**

Thank you very much, Praveen Kumarji. Thank you very much.

**Moderator:**

Thank you very much. I now invite the next speaker shareholder, Mr. Yash Pal Chopra. Mr. Chopra, please go ahead with your question. Sir, please unmute your audio and proceed with your question. Mr. Chopra. Sir, you have muted your audio. Please unmute your audio and proceed with your question.

**Ajay S. Shriram:**

Chopra sir, we cannot hear you.

**Moderator:**

Sir, can you please unmute your audio? Sir, as there is no response from the line, will move on to the next speaker share. In the meanwhile, the backup operator will check the connection. I know invite the next speaker shareholder, Mr. Toni Bhatia. Please accept the prompt on your screen. Un-mute your audio and video from your device and proceed with your question. Un-mute your audio and video from your device and proceed with your question. We will wait for a moment while Mr Bhatia unmutes his audio and video. Mr Bhatia, please unmute your audio.

**Toni Bhatia:**

Sir, first of all, you gave us such a beautiful Chairman speech. You told us about the company's working and future. I am thanking for this. Our company has got a very bright future. Net revenue is INR11,479.3 crores. PAT, profit after tax is INR910.8 crores and EPS is INR58.4 per share, such a good. And dividend, you gave us total dividend of INR14 per share, such a good dividend Mr. Chairman, I appreciate it.

And I would like to congratulate you, the Board and all the employees for giving such a good working and dividend. I am grateful to everyone for this. Transfer to reserve, you have transferred a sum of INR17.50 crores to reserve. Out of this, INR5.01 crores to general reserve. Such a good sign Mr. Chairman. There is an all-round progress in the company. For this again, I appreciate all the Board and employees for good work.

Chairman sir, in sugar industry, I remember 25 years ago, when you were entering, I supported you. To raise the mill, before me, respected R K Gupta, I think Supreme Court lawyer, I think so. I don't know his status. We both supported you. Many people opposed you that you are taking the wrong step. There is a label on sugar, that there is this, there is that, but you took the right step.

And today the sugar industry is doing extremely well. It has ethanol and distilleries, sugar industry is going extremely well. For this, I appreciate you. With this, I would like to tell you that last year in October, I went to a meeting of the Modi Industries in Modi Nagar, near Meerut. Had a meet with U K Modiji sir, he said that, the sugar industry has a very bright future. The work of sugar and ethanol has also started. I suggested him to start a pack of 1 kg, 2 kg, 5 kg. He said that, he doesn't believe in these things.

Our company has premium sugar. Plus, I told him the names of 2-3 other companies. They are the strong buyers of our premium sugar. And this is what 30 years- 35 years ago, Saraswati Sugar Mills, renamed as Isgec Limited, said that we have got a premium sugar. Anyhow, I would suggest you, if possible, our sister concern company Daurala Sugar Bucks, I have seen their packets in the market, Daural sugar is available at every place, in 1 kg, 5 kg and 2 kg might also. If you find it well, you should also get these 1 kg, 2 kg and 5 kg.

Corporate go ahead, in this regard Mr. Chairman, you have shown in such a good manner for this, I appreciate it and credit goes to our CFO and our Company Secretary, Samitji. Sir, Aditya Shriramji, you have got inducted in the Board, you have taken a very right step. I will praise you for it and I have full hope that like you Chairman sir, and Vice-Chairman sir, made DCM, I think the correct name was Daily Cloth and General Mills Limited if I am not wrong, when four parts were made, you made DCM consolidated team, and you have made the company to a higher extent. It is truly appreciable.

I having full hope from Adityaji that he will make this company at more higher mark. I support this resolution for Aditya Shriram. You made lot of work in CSR activites, should be praised for that, Chairman sir, I would not take much time. Once again, I would like to thank you, whole group, all employees, who have worked hard in this company Daily Colth Mill, DCM and made a good company, after being made 4 to 5 parts, I thanks to all for it.

For the link, I thanks secretarial department. I had requested for a balance sheet and then sending me the balance sheet within 2 days and for that also thanks. Once again Mr. Chairman, I strongly support and support the balance sheet. Thank you, sir.

**Moderator:** Thank you very much.

**Ajay S. Shriram:** Thank you Toniji. Thank you.

**Moderator:** I now invite the next speaker shareholder Mr. Yash Pal Chopra. Please accept the prompt on your screen. Un-mute your audio and video from your device and proceed with your question.

**Yash Chopra:** Okay, sir. Thank you very much. Sir, myself Yashpal Chopra calling from Delhi, shareholder of the company. Since I met you because I was a shareholder of DCM and since 1980 and by virtue of that I became a shareholder of your company. So sir, I am very very much proud of the team under Mr. Ajay and Mr. Vikram sir. Because your team is just like the film, Dharamveer's team, which cannot be broken by a hammer. So sir, your team is excellent. And our management is decorated with so many eminent professionals. So I am very, very much proud of that, sir.

Sir, as regard the performance of the company, in spite of a global turbulent, and in spite of the uncertain economic conditions, our company has done very well. The revenue of the company has been the lifetime high over there. And even the dividend declared, that is around 700%. That shows our investor friendliness. So this is a very, very big thing, sir. And sir, the upcoming time is definitely going to be very good because our PM is just announcing, so many good schemes for the uplift of our, for the growth of our GDP. And that is directly, indirectly giving us the benefit.

Sir, on performance, I have not to say much because that is mostly dependent on the circumstantial, global circumstances, global turbulence and all that. But our country, our PM's non-aligned policy in the foreign non-aligned policy, that has given us a big safety and big better scope for our growth and all that. So I would like to spend some time and just to provide some food for thought for our new successor, our Mr. Aditya Shriramji. I would just like to tell him that our company, which is just ancestral from our Lalaji, who was a big sanskari.

And all those companies, who have come out of this DCM, whether it is SRF or this SRP, or this DCM Shriram Industries, or DCM and DCM Novo and all the companies, they are doing fantastically very well because of the sanskars of Lalaji that was based on ITC, integrity, transparency and the concern. And I just tell you that, there has been no competition with each other because the competition is only with the self-competition and the concept of the management is quite clear. So they are just concerned with their own targets.



Even one product is very much common in all these companies that is called sugar. And we can say that, we have a relation with all those companies, who are the branches of that oak tree. That is very, very nice and very, very cordial. So we have to just focus on our growth. We have not to criticize any other company. And that is the main mantra of our success. So that I would like our Adityaji just to follow that.

Before I just close, I would like to just raise one query. That query, that suggestion is that since we have opened so many new plants, our company is expanding like anything. But for the last 30 years, we have not been in a position to meet our people, our supporters, our voters. So I would like them just to hold a factory visit sometimes around Diwali or like that, so that we can meet each other and we can enjoy your hospitality and we can see the growth of the plant and all that. So that is a suggestion with my request for the consideration of the management.

And before I close, I must thank our corporate governance under our CFO and our CS, our Compliance Officer and the team around him, because it is their effort that I got the link over there and I will especially thank Mr. Faiz also because they have just taken pains to get me online. So this is a very, very big thing for them because I have been preparing for such meet and once I miss it, then my day is gone. So today I can say that, I have made my day because I have expressed myself.

So in the end I will pray God, just to bestow positivity on you all. And so that positivity shall be the strength of my company, my men, from the top to the last men and the strength of my company is the strength of my investment. Best of luck to you and for the coming festivals, I greet you in advance that let there be happy festival, happiness all over in your families and all that. Thank you very much sir.

**Management:** Thank you Chopra, sir. Thank you very much.

**Moderator:** Thank you very much. I now invite the next speaker shareholder, Mr. Saket Kapoor. Please accept the prompt on your screen. Un-mute your audio and video from your device and proceed with your question. Mr. Kapoor please un-mute your audio and video from your device and proceed with your question.

**Saket Kapoor:** Yes, sir, Namaskar sir.

**Management:** Yes, Namaskar.

**Saket Kapoor:** Namaskar sir, And sir. I am thankful to all of you for giving me this opportunity to do my job. Sir, overall, we talk to investors in an elaborate way through conference call in the full year. I have come across to only thank you for continuing the good work the team is doing for the investing community. But the point here comes, yesterday we came with our Q1 results and the decline in the profitability, which we have seen gives us strong jolt to our underlying strength also going ahead.

So if during the conversation, when you are replying to the speaker, please do elaborate. Otherwise, we will be joining the con call on 27, to have an elaborate details, sir. But at least give us some color, at least on the, especially on our PVC and the caustic soda vertical. I think

so now both are just trending downward and prices are way, way, way below than what they used to be even pre COVID levels. So and also what would be the impact on these prices on our capex program.

We have commissioned as in opening remark, Ajay sir, You said, we are working on INR591 crores of project and commissioning it and in this year, 825 ton per day caustic soda is going to come. So the prices of caustic soda are now ECU realization of INR27,000- INR26,000, you said, we are there. So how is our viability in this? In our value-added product segment, how will we dispose of additional chlorine? So what are your comments on this ecosystem that has come on a weak wicket? On both these verticals.

Secondly sir, if you listen to the request of the, I would like to add that, we should follow the value unlocking exercise. I think so now with the second generation Adityaji being on Board and now listening to investors and answering calls, it's a very good welcome move for giving the next generation, handing the baton to them. So we congratulate Adityaji for joining and also participating in the con call. Thank you Adityaji.

Sir, but what is your outlook on value unlocking? Value unlocking in the sense that the different verticals that we have, definitely sir, in that, in many places, forward and backward integration plays, but still, holding on to fertilizer, holding on to sugar, and then again the caustic and the PVC, sir, it dents our valuations a little.

So, in this aspect, sir, what can be your outlook, that if we give a part to different a part to PVC and caustic, and make agriculture prospect a head, so can this going ahead be counted in value creation? That means splitting of a business, we can demerge and make separate entities. Because now in caustic size and other segments, you are expanding, you are expanding in sugar, are doing expansion in sugar also, there is also a business of distillery, so the verticals are growing on their own, so can it be independently two companies or three companies, can it be counted in the shareholders value creation idea?

So sir, you must keep your point on this, and sir, the thing that is disturbing now, like Vikram sir, has also mentioned this point many times that PVC and Caustic are inversely proportional. When the prices of Caustic start decreasing, the demand for PVC increases. But now, it is the opposite. Both are downward trending. So, please explain this rationale. I will definitely keep my time on the con call. I thank Ajayji, Vikramji, Aditya sir, Gambhir sir.

You are setting an example for the investing community that if the management's outlook is that channel through investor call, detailed investor presentation you are setting an example and people should recognize it and they are recognizing it and I am very thankful to the team for taking cognizance of these facts, which we keep on telling other management.

So Ajayji, it's a long journey and I wish the best to Aditya sir, Vikramji, Ajay sir, the entire Board, Gambhirji for taking the baton and doing whatever is needed for the investing community. And sir, hopefully if I'm in Delhi, sir. If I can seek an appointment, timely oblige with the, if you have the time, but if I reach there and you have time, then give me a chance to meet him in person for 5 minutes. With this, I close my comment. Thank you, sir.

**Ajay S. Shriram:**

Thank you. Thank you very much.

**Moderator:**

Thank you very much. I now invite the next speaker shareholder, Sardar Jasmeet Singh. Please accept the prompt on your screen, un-mute your audio and video from your device and proceed with your question.

**Sardar Jasmeet Singh:**

Good morning, Chairman Shri Ajay Shriram, Vice Chairman Shri Vikram Shriram, MD and esteemed Board of Directors, key personals and my co-shareholders, greetings to you all. I am Jasmeet Singh from Delhi. Now, Chairman, thank you for sharing your thoughts on Indian economy and working of our company.

While the year under review was a challenging year, but we witnessed a steady performance by our company. This reinforces the ethics and principles and legacy of Lala Shri Ram on which the company has been continuously working relentlessly. I foresee a bright future for our company as we grow many folds and create shareholder wealth in the years to come.

In this regard, I can see that our leadership team is very focused on growth. I am glad that our management has elevated Aditya Shriram. This is a positive step towards the succession planning for our company. Now, Mr. Chairman, I have two, three questions. First one pertains to the exports, which we do to many countries. May I know the percentage contribution of exports in our total revenues. Now given geopolitical issues, how far we are impacted on exports?

My second question is, while we have grown in sales, however our profits have not in the year under review. In this regard, I would like to understand that going forward, how our company intends to mitigate the pricing stresses. The way I understand is that, if we get good volume growth, then invariably we will see both our top line and bottom line growing year-on-year.

My third point pertains to the CSR. On CSR, we are doing fantastic with sponsoring various programs and adopting villages also. But now, in view of the recent unprecedented floods, which have impacted largely farmers, farmers who happen to be our main source of earning for our company, for our business. It is time we must distribute food staples or any other which way, we can help them in this adverse times. We must also enhance our contribution of spending on CSR beyond 2%.

Now, Chairman, I have a small observation that having read the annual report, I came to know that there have been few incidents on sexual harassment at the workplace. Now, this is something, which can happen anywhere, any day, and it is beyond the hands of the management. But, in this regard, I would like to know that, are we conducting POSH training programs for all our employees, be it permanent or contractual? If not, I request, please conduct these training programs.

Finally, I appreciate CFO Mr. Jain, Company Secretary Samitji for maintaining high standards of corporate governance. I am Jasmeet Singh signing off here, confirming that, I along with my two other members support all resolutions and look forward to yet another year of all-round growth. All the best. Thank you.

**Ajay S. Shriram:**

Thank you, Jasmeet Singhji. Thank you.

**Moderator:**

Thank you very much. I now invite the next speaker shareholder, Mr. Atul Gadodia. Please accept the prompt on your screen, un-mute your audio and video from your device and proceed with your question. Mr. Gadodia, please accept the prompt on your screen and proceed with your question.

**Atul Gadodia:**

Good morning, everyone. Yes. I would like to thank Mr. Gambhir for giving me an opportunity to join the meeting. Like the other day, about a fortnight or so back, I was having a discussion with one of my grand-dads. And he told that the Shriram family and they were for Poddars, were partners in manufacturing Usha swing machines and Usha fans in Kolkata. South city is what has that come up over there. So Mr. Vijay Poddar, he lives in Delhi only. So that was a connection he referred to.

Anyway, now coming to the company's performance, I'm very glad that the company has been done so well. And the suggestion, which I wanted to give was already placed by Mr. Saket Kapoor. My only question is like, can the company carry out buyback because the share prices in my view are quite depressed. So, and secondly, sir, like I have personally initiated many people like who are carrying out CSR works to contribute or make a Goshala in their factory. And in fact, a very big fertilizer company is implementing it on my suggestion.

Personally, I also visited the factories of Balrampur Chini Mills and they are maintaining a Goshala in each and every of their factories. So, I in my own humble way, give this suggestion. Is it possible for your company as well? Thank you so much for giving me an opportunity. And I support all the resolutions.

**Ajay S. Shriram:**

Thank you. Thank you, Gadodiaji.

**Moderator:**

Thank you very much. I now invite the next speaker shareholder, Mr. Pradeep Sood. Please accept the prompt on your screen, un-mute your audio and video from your device, and proceed with your question.

**Pradeep Sood:**

Chairman sir, I, Pradeep Sood, from Delhi, with my colleague, Ajay Khurana, welcome you and the entire Board of Directors with open heartedness and I am thankful to you for giving me the time to speak. Chairman sir, the hard work and honesty and dedication you have been working for the company for the past years, and you have given new heights to the company's shares, given excellent dividends and brought good returns.

We hope and hope that in the future, you will give new heights to the company's shares, bring better returns and give them very good dividends. We have complete faith. Rest, I will praise my company secretary in my share department. He is busy serving 24x7 shareholders. Whenever we mail him, he immediately sends us a reply.

When such good people like Chairman sir are with you, then why won't this company work hard day and night? I am with you and brother Ajay Khurana also. Chairman and Board of Directors. Salute to you for the good work. Next time, when we meet, it will be with good returns and with good dividends. Thank you, sir. Thank you very much.

**Ajay S. Shriram:**

Thank you very much Pradeep sir. Thank you.

**Moderator:**

Thank you very much. I now invite the next speaker shareholder Mr. Manoj Kumar Gupta. Please accept the prompt on your screen, unmute your audio and video from your device and proceed with your question. Mr. Gupta, please unmute your audio and video. Yes, we can hear you sir now.

**Manoj Kumar Gupta:**

Good morning. Respected Chairman. Namaskar. Respected, Board of Director, fellow shareholders. My name is Manoj Kumar Gupta. I am currently a shareholder of DCM Shriram. And first of all I congratulate you for the excellent result of the company for the 22-23 in spite of several challenges, internal and global and warm welcome our new Deputy MD, Mr. Aditya Shriram in our board. And I hope that he will take -- he will follow the legacy of Lala Shriram to fulfill the vision and dreams of the founders employees and the investors and sir, you have done a right job. When I was reading the background of Mr. Aditya Shriram, I proud on you that you have done like as you Oberoi, Tata and other group that first you have given a chance to work with the employees then you have appointed in the board. So it's a good sign.

And I feel proud to see Ms. Ramni Nirula in our board. We meet her in Calcutta in the Usha Martin and Every Ready. So, we feel proud to see in our board. She has a vast experience and she is very aggressive lady and she can give you most. Sir, have you any plan to launch low calorie sugar. Now, India is the world capital of the diabetes. So, have you any plan to launch a low calorie sugar that diabetic patient can also use and low calorie sugar, sweets or other things can be in effects.

So, you will be the number one company if you will launch that low calorie sugar so that think about that because India is the world capital of strong digits in the world. So, you think about to launch that. And sir have you any plan to split the shares from INR2 to INR1 to increase the market liquidity and to inspire the small investors to buy the shares, think about that from INR2 to INR1 now. Today is your market cap is INR13,256 crores of INR2 and INR2 share is rounding at INR850. So, if you will split the shares of INR1 then share price will boost and market will go around INR25,000 crores because small investor will expect.

Think about that and sir what's your future plan for next two to three years with capex and ethanol business the government is buying the ethanol from the sugar industry. Yesterday I was watching your result the sugar business has given excellent result. So, what's the plan for sugar, have you any plan to demerge the sugar business and reached in the stock market as a separate company as a DCM sugar under your leadership, have you any plan to demerge or sir just now you have mentioned in your speech that you have a several plans to start new plants in this year. So which will come before Diwali which plant will start and sir is there any direct or indirect impact of war on our company direct or indirect.

Due to the war inflation has gone up. Every raw material prices has gone up by 30% to 35% so how we are facing a challenge of that inflation and your popular brand is Fenesta. There is no comparison with them because my relatives at Calcutta the Fenesta window which is there it run on overbooking and it is in waiting period that is a hot cake. If you give the money then 2.5 months late you will get the window for the people. So, when it would happen that we have

given the order and in two days the window will be hanged when it will happen please tell me because Fenesta do not depends on India Fenesta brand. You take that brand in abroad also Fenesta.

There is no comparison of that Fenesta in the country and every rich people like that to install the Fenesta. I have also called your people from my cousin brother that my cousin brother has booked 3 months back we are not getting. So, can we ask the company he said no you don't ask company headquarter we will see, we will deliver you within one week don't worry. So, such type of things you are producing. So, think about the another businesses that how people can rush to your company to take your products, to decorate their Fenesta if Fenesta is a so excellent brand sir.

We feel proud that we are also a part of that organization. When we used to go to Delhi from Old Delhi railway station to Shastri Nagar, so we used to see DCM mill of Lala Bharat Ram DCM mill and now there now Housing society has been build and DCM mill and that towel of DCM stopped and again bring that era once again. Keep the lalaji name alive and people still remember that we are using the DCM product and DCM is a popular brand in this country. In Calcutta also my shareholder has said the South city which is built there in every house there is a sewing machine and so again please launch this product.

And cement business will boom because our Prime Minister has a vision to bring 20,000 kilometers highway so how you will face to fulfill that demand in the cement business and I will not say few single world on the sexual harassment because you are capable, you can handle that in very seriously, but I suggest you those are the guilty, they should be punished and she be terminate from the company and take a strong action in this regard and I have full faith and confidence on you, your leadership and I thanks to the Company Secretary and his team for help us to join this meeting through VC smoothly and it would be my also pleasure to meet you like a Saket Kapoor where I come Delhi frequently my residence in Faridabad, but your office is in Aero City, so far. So, it would be my pleasure to meet you sir also for a 5 minutes. Thank you.

**Ajay S. Shriram:**

Thank you Manoj ji. Thank you.

**Moderator:**

Thank you very much. I now invite the next speaker shareholder Mr. Mahender Pal Bhutani. Please accept the prompt on your screen, unmute your audio and video from your device and proceed with your question. Mr. Bhutani, please unmute your audio and video from your device and proceed with your question. Mr. Bhutani, please your audio and video from your device and proceed with your question. Ladies and gentlemen, we will wait for a moment while Mr. Bhutani unmute his audio. Mr. Bhutani please unmute your audio. Sir, please go ahead with your question.

**Mahender Pal Bhutani:**

Respected President and Board of Directors, all team and management team, all officer through this platform want to place some points in front of you. Before I keep my point, the team, CA who has helped me to join me in this platform and to send the link because till yesterday I didn't receive any link. Now, for the Annual Report for which we are sitting for discussion. I have seen the Annual Report it has been very transparently and with detail the

whole section has been properly covered. The queries we didn't find any, but one thing which has come in front of me is that we are seeing the quarter-to-quarter the result which has been held the speed which we have picked up in 22-23 that speed is not there at present. Our total revenue is...

**Moderator:** Mr. Bhutani sorry to interrupt you. Sir, we are not able to hear you clearly.

**Mahender Pal Bhutani:** But in March it was 305 and in December it was INR509 crores.

**Moderator:** Mr. Bhutani your audio is breaking. Please go ahead with your question now.

**Mahender Pal Bhutani:** Sir, I want to know your strategy and roadmap for two year and what is your retail expansion plan, any plan for brand expansion and role of sub branch. Sir, what is your plan to take the neighboring market of the Bangladesh, Bhutan, Sri Lanka, Nepal and other country. Sir, I felt that in our board Aditya is there and good experience and who have a very good business line experience and it's in our board and our board we will give new heights and new recognition that way I hope so.

Sir there is a saying that people only get success who have a strong character and strong mindset, who not with their wings, but with a strong willpower and with motivation make a fly and that fly Ajay ji with your entire team we have a hope that with new height, new recognition our company should grow this way we think. Our share has gone into four figures and it is low now, but that earning that is for the company calculation, company vision OTT which means openness, transparency and teamwork.

The teamwork will make the company to reach new heights, new recognition with that strong words without taking much time I would request you to that our quarter results and net profit, for our oxygen for that to increase the growth engine what will be your planning, what is your strategies, challenges are lot, difficulties are there and in that also we have to move ahead and to move forward our team has a strong willpower I hope this. With these words I greet the entire department and the entire Board of Directors and wishing you all the best for the upcoming festivals and wish you for your good health.

**Moderator:** Thank you. I now invite the next speaker shareholder Mr. Ashok Kumar Jain. Please accept the prompt on your screen and mute your audio and video from your device and proceed with your question.

**Ashok Kumar Jain:** Greetings. Good morning Chairman sir, Board of Director and my co-fellow shareholders. I Ashok Kumar Jain join the AGM from Delhi. First of all, I welcome to Aditya Shriram on board dais. Welcome sir. Secondly, congratulation to the management and all the stock for providing the excellent result during the financial year 22-23 as per Chairman speech. There is no doubt in the financial statement of the report as I have full faith in the management. Sir, you have discussed a lot in the Chairman speech and ex spokesperson due to which there is nothing to say, something is there the dividend which are giving in three times in the last few years.

So, we will consolidate and it can be given as a shareholder as a bonus. Secondly, please try that AGM should be held in physical mode like we used to do in a well mannered. Secondly,

factory and plant visit make a plan, but I support also the resolution and fact through the sector department and Chorus call Moderator who has helped us in joining the meetings. Thank you, sir.

**Ajay S. Shriram:** Thank you very much Ashok ji.

**Moderator:** Thank you very much. That was the last speaker shareholder. I now hand over the proceedings to Chairman. Thank you.

**Ajay S. Shriram:** Thank you ladies and gentlemen for the effort you have put in and the time you put in to ask questions and participate at the AGM today. I'll briefly go through the points raised by each of you. Praveen Kumarji raised many points also. Your global scenario concerns are very valid. That is something which is affecting businesses across the world, but we are also aware of that and are trying to take preventive and proactive steps to ensure that we are on top of the game for our businesses going forward. Your positive comments on the issue of trust, etcetera, we do believe that, that is the key for long-term survival and long-term reputation and long-term credibility.

As we believe we are not in the business for the short term, we are business for the long term. So, we must continue working with credibility with all our business partners across the board. Our objective is sustainable growth in the future. And that's why we have so many projects online which are adding value as and when they come into play. Your kind words for Aditya's coming on the board are very appreciated by all of us. And we've all had a discussion and we feel it will add value to the company's management strength.

Our corporate governance, the Company Secretary, Sameet etcetera, their positive approach and they are working for the shareholder benefits is something we strongly believe and we appreciate your observations on that. Yashpal Chopra ji also, happy to know Chopra ji and from 1980 you are our shareholders and we have a given a dividend of 700% we appreciate that. GDP growth is growing, but business-to-business variations do happy this we have seen everywhere.

What you were saying about Aditya about working Lala Shriram values is very valid observation and we also believe that Lala Shriram values is what drives all of us. We ourselves have very clearly articulated our values and belief so that we can imbibe that and get all our employees to imbibe that so that we work on that basis of looking at a transparent credible organization with the best interest of all our shareholders as we move ahead in business.

Physical AGM we sincerely hope the next year we will have that. We also look forward to meeting everyone. Corporate governance yes our CFO, CS and others we have absolutely value their input and their support to the management of the company and that's what gives us strength. Also Faizan, who is managing this event today is also very positive hence helping us a lot.

Then Tony Bhatia he is also very old we already met him. I appreciate your observations on the net revenues, PAT, VSP, dividend your suggestions of making a one dividend at INR14 per share what we have done. Our objective is to share the benefits of the organization with all



stakeholders. So, that is how we have devised our philosophy. We've discussed in the board, discussed in the Audit Committee everywhere, how do we share the benefits with everyone concerned. That's a very strong focus for us.

A premium sugar we do make premium sugar, high quality sugar, which are better colors and less impurities, which we supply to pharmaceutical sector and others also. Small packs, we've debated and discussed, it's always under discussion, is it worth doing or not? So that's a call the management will take in due course of time. Again, on management of the company we have a strong team at corporate office and in all our businesses which helps us in riding the tide whenever it happens. Ups and downs in business always happen. So, how do we manage it is the key, which shows the pro-activeness of any management, which is running a company.

Appreciate your comments on Aditya joining, on CSR work we are doing. And you are very right in saying that the employees are the most important. We definitely believe that. And that is what gives us tremendous strength. Saket Kapoorji asks many thanks for the good work he has mentioned. The Q1 results of this year yes there has been pressure on the caustic soda, PVC business. The input costs have been higher. The selling prices have dropped dramatically compared to last year. We will discuss it further when we have a concall, but we've seen in commodity businesses, ups and downs are part of the game.

One can't expect to have only an upward trend all the time and it continues that way. I think these are also occasions for the management to see how we can improve efficiencies, reduce costs, have better relationship with our customers, vendors, etcetera. So, we are working on all fronts to see how we can improve and minimize the negativity of the business environment which is there right now.

Value unlocking, that is something which we keep discussing at the board and in the management of our company that is something which is an ongoing exercise, and we take action on that at the appropriate time. Appreciate your observations, Aditya joining again, that's again positive. And thanks to all of us, and thanks to you for your positive comments, Saket Kapoor ji.

Then Sardar Jasmeet Singh ji, we've had a steady performance. Yes, a legacy of Lala Shriram, as you've seen, that's a very positive thing, which we value, as I mentioned a little earlier. And we also believe when you mentioned about a bright future, as I mentioned just now that we are in the business for the long-term. We are not looking for short-term gains. We want to ensure that we have a stable, good operating system, so the credibility of the company with its vendors and customers is maintained at the highest level, and trust is at the highest level.

So that's a long-term game which we are always looking at. Again, we've elevated Aditya to the board. That will definitely add value to the company. You asked about exports. Exports in our case is very low. Most of our products are sold domestically. Some caustic soda, liquid and flakes were being exported. Fenesta is now looking at doing a little work outside India. I think one more shareholder asked the question of going to Nepal or Bangladesh or Bhutan or some of the neighboring countries.

There is some work which is being done over there. So, there is an activity in that direction. It will take time to establish, but exports as of today of our business is a fairly low percentage of our total turnover. Yes, we've had a problem with turnover and profits are down a little bit, but there are steps the management has to continuously work to see how to continuously keep improving. And we have to work with the market reality. That's the reality of every management, that's an ongoing exercise.

Our CSR work is also quite extensive, and you suggested going beyond 2%, we'll discuss that. But as of now, we are doing a very widespread work in all our locations and in other places where we get requests. We are happy to do CSR work across the board. In POSH cases, you talked about and training programs, there's a very strong training program on POSH cases. And someone else also asked the same question. We have taken very strict action on people who have violated the POSH law.

And we've actually asked people to leave. This has already happened on multiple occasions whenever this happens. So, there is zero tolerance as far as any behavior which is unethical or wrong. We will not withstand that. So, we take very, very strong action on that. Atul Gadodia ji also thanks to Sameet, yes, I agree regarding a buyback and regarding the companies going forward. We'll discuss this point again at the board and discuss and see what is the most appropriate step we can take. You talked about the Gaushala, we actually are doing a lot of work in villages around us in all our areas, including Gaushala. So, that's something which we're doing across the board for rural India in a very extensive way.

Pradeep Soodji came on and talked about his colleague also, Mr. Ajay Khurana. Well, I appreciate your observations on the management and future we are giving focus on that. We are very conscious, as I said, about stable long-term growth on a consistent basis. So, we are focusing on that very much. And we appreciate and thank your observations for the board and the officers of our company. That's very kind of you. Manoj Gupta ji also talked about the performance of the company. Thank you very much. And welcome to Aditya DMD. Legacy of Lala Shriram is very much something in our mind.

Ms. Ramni Nirula, you talked about meeting her. She's a tremendous asset to our board also. And we look forward to her input and always, she's always there. Low calorie sugar is something new, we'll discuss that and see if that possible, what we do, though we are not looking at getting into artificial sweeteners, but we'll see what we can do on this front. Split shares from INR2 to 1, that's a thought, we'll discuss it and see if it's viable, what is the right time. Future capex plans you asked about. I had shared that in my opening comments and given you details. We have almost INR3,500 crores of investment, which has been done in the last year and will be done and completed before the end of this year.

So, we have many projects online, which is moving forward. Impact of war yes, it has been there, raw material prices have gone up. That's had a major impact. The impact of war again is that the European economy has gone down. They're having a little slowdown because of which the market demand for products has come down, due to which the selling prices of especially caustic soda PVC have been impacted and that is affecting us.

Fenesta brand, yes, that is, it's a recognized brand, it's the leader in the market in the country. And we are moving aggressively to expand that and have a bigger footprint in the construction market across the board in India. Old days of DCM were a great learning for many of us, and we value the approach which was set down by Lala Shriram and Dr. Bharat Ram and Dr. Charat Ram and others, and there's something always to learn from all of them.

Again you talked about POSH cases, as I mentioned, we take very strong action and there is zero tolerance on any person's misbehavior if it comes to the notice of the company. Shri. Bhutani ji again, an old hand at our shareholders and quarter-to-quarter variations happen, Bhutani sir, that's part of business. Our approach is to get stability and see how we are geared for the long, medium term and the long term. You talked about Bangladesh, Bhutan, as I mentioned earlier, we are looking at some of these areas. We appreciate your observation, Aditya, coming on the board. OTTT, that is very valid.

And we do value, these are part of our value systems and we also appreciate that very much. And really, I appreciate your observation and comments, where you thank the board and the employees for their input and support to the performance of the company. And Ashok Kumar Jainji, again, appreciate your welcoming Aditya on the board and your kind observations about the company management and the staff for the 22-23 years results. Dividend, you talked about looking at giving a bonus. We'll discuss that and see how and when it's worthwhile. All these things keep coming to our mind and we keep debating and discussing what more can we do.

So, we'll also discuss this again. Physical AGM, as I said, we do look forward to having one next year and I sincerely hope COVID will not or no other illness or any other sort of contagion can create a dislocation in that. So, we should have a physical AGM next year again. And I appreciate your support, Jain Saab, for all that you've done. Well, ladies and gentlemen, I think that takes care of all the questions. And I've tried to talk about the performance of the company in detail in my opening observations, as well as answering the questions raised by many of you just now.

So, now as you are aware that all the resolutions were put to eVote, an eVoting period was open from 22-7-2023 to 24-7-2023. I hope all of you would have cast your eVotes. However, those who have not cast their vote through remote eVote have the opportunity to eVote now, and accordingly they may eVote on the resolutions by using the facility of eVoting provided at the portal through which you have logged in. This is all so voting will be declared within two days and will be uploaded on the company's website.

Ladies and gentlemen, I now declare the meeting closed. I'd like to thank you very much once again for participating in the AGM today. And I want to mention that the eVoting window will be open for another 30 minutes. So, please do your eVoting now. Thank you very much once again for participating in the meeting. Thank you and goodbye.