



“DCM Shriram Limited - 33rd Annual General Meeting”

July 19, 2022





DCM Shriram Limited
July 19, 2022

BOARD OF DIRECTORS:

1. **MR. AJAY S SHRIRAM – CHAIRMAN AND SENIOR MANAGING DIRECTOR, DCM SHRIRAM LIMITED, MEMBER OF THE STAKEHOLDERS RELATIONSHIP COMMITTEE AND NRC COMMITTEE & CHAIRMAN OF THE CSR COMMITTEE AND BOARD FINANCE COMMITTEE**
2. **MR. VIKRAM S SHRIRAM – VICE CHAIRMAN & MANAGING DIRECTOR & MEMBER OF THE STAKEHOLDERS RELATIONSHIP COMMITTEE, CSR COMMITTEE AND THE BOARD FINANCE COMMITTEE**
3. **MR. AJIT S SHRIRAM – JOINT MANAGING DIRECTOR & MEMBER OF THE STAKEHOLDERS RELATIONSHIP COMMITTEE, CSR COMMITTEE AND BOARD FINANCE COMMITTEE**
4. **MR. K.K. KAUL – WHOLE TIME DIRECTOR & CHAIRMAN OF THE RISK MANAGEMENT COMMITTEE AND MEMBER OF THE BOARD FINANCE COMMITTEE**
5. **MR. K.K. SHARMA – WHOLE TIME DIRECTOR AND HEAD OF EHS FUNCTIONS**
6. **MR. PRADEEP DINODIA – INDEPENDENT DIRECTOR & CHAIRMAN OF THE BOARD AUDIT COMMITTEE, STAKEHOLDERS RELATIONSHIP COMMITTEE AND THE NRC COMMITTEE**
7. **MR. SUNIL KANT MUNJAL – INDEPENDENT DIRECTOR & MEMBER OF THE AUDIT COMMITTEE, CSR COMMITTEE & THE NRC COMMITTEE**
8. **MR. VIMAL BHANDARI – INDEPENDENT DIRECTOR & MEMBER OF THE RISK MANAGEMENT COMMITTEE AND THE NRC COMMITTEE**
9. **JUSTICE (RETD.) VIKRAMAJIT SEN – INDEPENDENT DIRECTOR & MEMBER OF THE CSR COMMITTEE**
10. **MRS. SARITA GARG – A DIRECTOR NOMINATED BY LIC OF INDIA**

AUDITORS:

1. **MR. ABHISHEK RARA – STATUTORY AUDITORS, PARTNER WITH PRICE WATERHOUSE CHARTED ACCOUNTANTS LLP**
2. **MR. DEVESH VASHISHT– SECRETARIAL AUDITORS, PARTNER, M/S SANJAY GROVER & ASSOCIATES COMPANY SECRETARIES**



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Moderator: Dear shareholders. Good afternoon and a warm welcome to you all to the 33rd Annual General Meeting of DCM Shriram Limited through video conference.

As a reminder, for the smooth conduct of the meeting the members will be in mute mode and the audio and video will be switched on when they will speak at the AGM as per the pre-registration. Please note that as per 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 DCM Shriram Limited. Thank you and over to you, Sir.

Ajay S Shriram: Thank you. Good afternoon, ladies, and gentlemen it's 12 o'clock, let us start our AGM today. A very good afternoon and a very warm welcome to the 33rd Annual General Meeting of your Company. As you all know that this is the third consecutive year that we have been compelled to convene this AGM through the virtual mode. I hope and pray that all of you are safe and well. I would urge you to continue taking all the necessary precautions as the pandemic is not over yet and we need to be careful.

Despite these difficult circumstances, I am told that the large number of shareholders have logged in this morning 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. The Company Secretary tells me that the quorum is complete, so we can now begin 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 items being considered in this meeting.

Before we move on to 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 is Mr. Sunil Kant Munjal – an Independent Director of your Company since 2003. He is the Chairman of Hero Enterprise with a rich experience of around 40 years. He is also a Member of the Audit Committee, CSR Committee, and the NRC Committee of the Company.

Next to him is Mr. Vimal Bhandari also an Independent Director of the Company since 2003. He possesses an extensive experience of more than 36 years. He is the Executive Vice Chairman and CEO of Arka Fincap Limited and also the Chairman of the board of HDFC Trustee Company Limited. He is also member of the Risk Management Committee and the NCR Committee of the Company.



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Next to him is Justice Vikramajit Sen who is the former judge of the Supreme Court of India with around 40 years of total experience. He is an Independent Director of your Company since 2016. He is also the Chairman of the Board of Directors of the Bombay Stock Exchange. The areas of his expertise are civil, commercial and arbitration laws. He is also a member of the CSR Committee of the Company.

Next to him on the top right is Mrs. Sarita Garg, a Director nominated by LIC of India. She has more than 33 years of working experience and is currently an Executive Director of LIC of India and unfortunately her picture is not showing on the screen right now, but the office at the back end is working to rectify this issue.

Now in the middle now on the extreme left is Mr. Ajit S Shriram – Joint Managing Director of the Company. He is also a member of the Stakeholders Relationship Committee, CSR Committee and Board Finance Committee of the Company. He is also on the board of Indian Sugar Exim Corporation Limited (ISEC).

Next to him is Mr. Vikram S Shriram – Vice Chairman and Managing Director of your Company. He is a fellow member of the Institute of the Chartered Accountants of India and is the member of the Stakeholder Relationship Committee, CSR Committee and the Board Finance Committee of the Company.

On my immediate right is Mr. Pradeep Dinodia – an Independent Director since 1994 and the Chairman of the Audit Committee, Stakeholders Relationship Committee, and the NCR Committee of your Company. He is Chairman and Managing Director of the Delhi based renowned Chartered Accountancy Firm M/s S.R. Dinodia & Company Limited. He is on the board of Hero MotoCorp and Hero FinCorp Limited. He is also the Chairman of the board or Shriram Pistons & Rings Limited.

Coming to the bottom row on extreme left is Mr. K. K. Kaul a Whole Time Director of the Company with a total experience of around 46 years in your Company. He is also the Chairman of the Risk Management Committee and Member of the Board Finance Committee of the Company.

Next to him is Mr. K.K. Sharma – Whole Time Director and Head of EHS Functions of the Company. He has more than 33 years of experience in Agro Chemicals and Pharmaceutical areas in manufacturing and in the EHS field.

Unfortunately, Mr. Pravesh Sharma and Mrs. Ramini Nirula, Independent Directors of the Company are not present today due to some unavoidable circumstances and have sought the leave of absence from the AGM.



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The representative of Statutory Auditors, Mr. Abhishek Rara – Partner M/s Price Waterhouse Chartered Accountants LLP.

And the representative of the Secretarial Auditors, Mr. Devesh Vashisht – Partner, M/s Sanjay Grover & Associates, Company Secretary are also connected here.

I hope you must have received and read the notice of this AGM which I will now take as read. I will now read my speech for all the shareholders.

Dear Shareholders,

The financial year 2021 began with the second wave of the pandemic peaking in June quarter '21. It was a difficult period for our employees, our business associates, and the entire country. The Company put in place processes to ensure that timely support was available to our employees and the communities around us. Fortunately, the rapid roll-out of vaccination by the government ensured that subsequent infections were mild and its impact within manageable limits.

On the economic front, we witness two opposing trends emerge. As the pandemic abated business activity picked up rapidly and this got reflected in higher GDP, a record US\$400 billion plus of merchandise exports, buoyant tax collection and improved business confidence. At the same time global inflationary pressures started to build up which got rapidly accentuated in the last quarter of the financial year with the Russia-Ukraine conflict, navigating the uncertainties will be a key challenge.

Let me now review the performance of the Company during '21-22:

I will restrict myself to the broad trends as detailed information can be accessed from the results presentation and the annual report on our website.

During financial year '22, your Company witnessed strong operating performance and record earnings despite the challenges arising from the second and third waves of COVID-19, supply chain disruptions and high energy prices. Our businesses have shown resilience during these volatile times.

Revenues:

The Company's revenue on a consolidated basis was Rs. 9,849 crores in financial year 22 vis-a-vis Rs. 8,308 crores last year. The Chlorovinyl business registered a growth in revenue of 79% driven by higher realizations for all products and higher volumes for the Chlor-Alkali business.



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Revenue for Sugar business declined by 27% due to lower export and domestic sugar volumes

Shriram Farm Solutions business registered an 11% growth in revenue.

Fenesta business registered a growth of 47% on account of higher volumes and prices.

Fertilizer business revenue also witnessed a growth of 47% due to higher gas prices while the revenue from Bioseed business declined by 13% as volumes dipped.

PBDIT:

Profit before Depreciation, Interest, and Tax on a consolidated basis improved to Rs. 1,888 crores up 52% over the last year. The improvement was driven by 168% increase in PBDIT of the Chlor-Alkali business due to both higher realizations and higher volumes.

Sugar business recorded a decline of 20% in PBDIT as the volumes lower along with higher costs in the current season.

Agri Inputs businesses of Shriram Farm Solutions recorded a 24% growth in PBDIT led by higher volumes.

Fenesta business achieved a 95% growth in PBDIT led by higher volumes and prices.

Bioseed and Cement business PBDIT declined. Overall, PBDIT margins improved to 19% from 15% last year.

Net profit on a standalone basis for financial year 22 was up by 58% to Rs. 1,049 crores from Rs. 662 crores in financial year '21.

Cash Flow:

Improved operating profits along with efficient working capital management resulted in healthy cash flows as a result finance cost decreased by 30% to Rs. 85 crores and net debt as on March 31st, 2022, stood at **Rs. 4 crores 11.58** vis-a-vis Rs. 135 crores as on March 31st, 2021. A healthy balance sheet along with robust financial ratios enables us to invest in continuous growth as well as manage business uncertainties.

We have multiple investment projects in Chemicals and Sugar business which are under implementation and will be completed over the next 12 months. These will add to our operating and financial strength going forward making our businesses more resilient.

I will now give a brief on the business wise performance:

Chlorovinyl:

Revenues of chemicals consisting of caustic soda, chlorine, hydrogen, Hydrochloric acid, and Stable bleaching powder was higher by 95% at Rs. 2,498 crores vis-a-vis Rs. 1,283 crores in financial year '21. With the return to normal business activity, markets bounce back after a year of subdued demand. Realizations per tons were substantially higher due to global supply chain disruptions and higher energy prices particularly in the second half of second of financial year 22. Vinyl business revenues was also higher was driven by higher realizations and increased by 53% to Rs. 1,119 crores. Overall, revenues for the Chlorovinyl was 79% higher at Rs. 3,616 crores from Rs. 2,015 crores last year.

Sugar business:

Revenues declined by 27% to Rs. 2,474 crores vis-a-vis Rs. 3,385 crores in financial year '21. Last year the Central Government had allotted a higher export quota plus provided incentives which was withdrawn resulting in lower exports in the current year. Domestic dispatches were reduced due to lower allocation under government release mechanism. Distillery volumes were also lower given the low availability of feedstock. We have put a strategy in place to take care of these constraints.

Agri Input businesses:

Shriram Farm Solutions revenues was higher by 11% led by higher volumes in seed and plant nutrient verticals. Fertilizer business revenue was higher by 47% due to higher gas prices. Revenue for Bioseed business was lower by 13% driven by volumes. Overall, Agri input business revenues were up 21% at Rs. 2,682 crores.

Fenesta business:

Fenesta business is our B2C business wherein revenues were higher by 47% at Rs. 529 crores led by higher volumes and prices. Last year the market was adversely impacted during first wave of COVID-19 in Q1 financial year '21. With construction activity returning to pre-pandemic level, we expect a demand for building products to show a sustained growth.

I will share the new investment plans which are underway right now:

The Company has ambitious growth plans through capacity enhancement plus diversification into adjacent business streams and is investing about 3,500 crores. The following major projects are under implementation at the Bharuch Chemical complex.



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The expansion of caustic soda and flakes capacity have been recalibrated to achieve additional 850 tons per day and 600 tons per day output, respectively. It is a plant to be commissioned by Q1 financial year 24.

The hydrogen peroxide facility with the capacity of 57,750 ton per annum is planned to be commissioned in Q2 financial year 24.

The Epichlorohydrin (ECH) facility with the capacity of 52,000 tons per annum along with glycerin purification facility is to be commissioned by Q1 of financial year 24. Expansion of anhydrous aluminum chloride capacity by 32,850 tons per annum is to be commissioned in phases by Q4 financial year 23.

The 120-megawatt coal based new power plant is under way and is planned to be commissioned in Q3 financial year 23.

The following projects announced from the Sugar business are progressing as per schedule. The 120 kiloliters per day multi-feed distillery with grain at Ajbapur is planned to be commissioned in Q3 Financial Year 23. Crushing capacity expansion at Ajbapur which is 3,000 tons crush per day along with the full conversion to refine sugar of total production crushing capacity of 13,500 tons per day crush it is planned to be commissioned by Q3 Financial year 23.

The Hariawan Sugar Refinery expansion of 8,000 tons per day is planned to be commissioned by Q3 Financial Year 23. Potash fertilizer from distillery ash 4,600 tons crush per day is planned to be commissioned by Q2 Financial year 24. We continue to explore more possibilities to increase the scale and revenue streams across our businesses.

Environment Social and Governance:

On the ECG front we are taking focused steps towards making our operations more sustainable. Your Company is 11 times water positive 34% of the total power consumed in our operations is green and we are in the process of sourcing our digital green power to the extent of about 50 megawatts. We are taking steps to reduce and recycle waste as well as reduce our carbon footprint. This year we have published our business responsibility and sustainability report which is available in our annual accounts.

Human resources and Employee Relations:

The organization is poised to grow by building on its strengths to enable this there has been a strong focus this year to build a culture that drives the employees behavior to achieve the organization goals. For this to be accomplished three HR pillars have been identified:



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First is 'Culture.' Second is 'Capacity Building' and that will drive the third which is 'Driving Growth.'

The focus on building cordial and harmonious relationship with the employees of the Company has continued on a sustained basis and environment of mutual trust, understanding and faith has been nurtured in line with the progressive philosophy of the organization to work in a collaborative way and build togetherness. The core value of respect and dignity has been well institutionalized in the organization ensuring fairness, transparency, and engagement.

Community Welfare:

Just as in previous year the Company continued its support for employees and communities impacted by the pandemic. As the severity of COVID reduced we focused our commitment back towards the long-term programs aligned with community needs and national priorities. The activities also support United Nations sustainable development goals or SDGs. After due deliberation and consultation, the Company has identified four focus areas to work in.

These are:

1. Preventive health care and sanitation.
2. Educational, vocational skills and livelihood.
3. Environment sustainability.
4. Rural development.

For shareholders who are keen to understand our efforts in greater detail, I would encourage them to go to our websites.

Acknowledgements:

I would like to take this opportunity to thank the Directors of our Board for their constant advice and guidance we really value that. On behalf of the Board, I extend a sincere gratitude to all our employees for the commitment towards the organization during the difficult period. Once again this AGM has been made possible by the dedication of a secretarial, finance, IT, and corporate communications teams.

I would like to 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 a sincere appreciation to all our shareholders who have supported us at all times. Thank you very much.



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Since the auditor 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 to speak as a speaker to ask their questions please.

Moderator: Thank you very much. We will now begin the question-and-answer session. Ladies and gentlemen we will wait for a moment while the question queue assembles. We request all the speaker shareholders to please limit your questions or comments to three minutes. I now invite first speaker shareholder Mr. Pradeep Sood from Delhi folio number # IN30112715633348.

Pradeep Sood: Thank you Chairman Sir. Thank you very much. I am Pradeep Sood from Delhi along with colleague Ajay Khurana I welcome you and the whole board of director and very thankful to you that you have given me the opportunity to speak to you. Chairman Sir from past many years with hard work, dedication, honesty for Company you have been working with devotion and dedication and you have given the Company shares a new heights, good dividend you have given and you have given a good return and we also believe and promise that in the coming times working in the same way you will give Company shares more new heights, a very good dividend is expected and very good return is expected from you. All board of directors are hardworking, dedicated and they will make this happen and it will happen 100% and our share department how much praise we should do for Company Secretary is less and his entire staff. Whenever any grievance is there we mail them within a minute and we get a good clarification for that that our health becomes good and you are doing a very good job our Company Secretary with his entire department and Chairman Sir to join with this platform with the help of Chorus Call we have been able to attend and this Chorus Call they made us do the rehearsal and taught us and give us the whole detail so I think hope that till the time this kind of AGM will happen and we will get the full support of Chorus Call and for that we are thankful to Company Secretary and his entire staff and again along with my colleague Ajay Khurana I salute for your good deeds and for good performance and for good dividend and for good return and to make the shares reach to new heights. Thank you very much.

Ajay S Shriram: Thank you very much Sood. Thank you so much.

Moderator: Thank you very much. We now invite the next speaker shareholder Mr. Manoj Kumar Gupta from Kolkata folio number # IN30045011218986 please proceed with your question.

Manoj Kumar Gupta: Hello, good afternoon respected Chairman, Board of Directors, Fellow shareholders. My name is Manoj Kumar Gupta I am equity shareholders of DCM Shriram from long time. It is my pleasure to attend this meeting through VC and I am very happy to see that Mr. Munjal is in our board and Honorable Justice Retired is in our board and we can hope that we will get benefit through their vast experience its legal manner from Honorable Justice and industry



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manner from Mr. Munjal and thanks for your Company Secretary to help us and his team to help.

Moderator: This is the operator Mr. Gupta we are not able to hear you please check. Sir the backup operator will check the connection. We will move on to the next speaker shareholder Mr. Saket Kapoor from Kolkata folio number # IN30096610766853. Please proceed with your question. Mr. Saket Kapoor please unmute your line from your side. Mr. Saket Kapoor please unmute your audio and video.

Saket Kapoor: Namaskar Sir. Thank you for this opportunity sir and congratulations to the entire team as you have already concluded by congratulating all the deserve people who have made it a good show and sir as I followed Mr. Gambhir advice also that we are getting regular opportunities to interact with the management on the discussion platform through the concall so I would be keeping my comments here very brief and would try to get some holistic views from you since you are there sir and others I will definitely follow up with the management during the concall and I congratulate first sir for giving investors the opportunity to participate in your growth story and giving us an opportunity to have first and information at all regular intervals so that we can take informed decisions and participate. So, this is one of the best steps are taken by you and market has rewarded the shareholders who have participated and believed in your growth story and the numbers turn more then what the belief is. Sir just at the management discussion part I found the point about this global capacity addition of 1 million ton for this year in the caustic soda segment. Sir how are you seeing currently the demand supply in this segment especially Sir I think so earlier there was some dumping from the countries of Iran and Japan so currently how do you see balanced out and how in phase manner how these capacities will get ramped up and how is the global scenario as you have discussed about the outage for Quarter 4 Concall what is the impact of those outage now also prices is getting maintained so how is the scenario for this scheme if you want to say something post the exit of your March quarter and in April, May, June how do you like to play out this scenario and what is the outlook because I have read one report of OEM where this decade is very good for caustic soda in terms of the demand outlook, but sir this is a very big Company and they will always say positive about this segment so I was circumspect so I just wanted to have also your understanding on the same if you throw some light on this and in import data tell us something as you have said in the Concall around 2.5 lakh ton export was there last and in last year what is our net figure for import, export if you throw light and currently 1 million ton addition how is that balanced out this is question of apprehension please try to explain this. Sir in case of Urea nano Urea concept how are we adapting to this concept we have our vintage plant, but you have done some changes plus for doing CAPEX from government side some incentives have come so in nano Urea what is your concept. Like you have said initially you made a point that **(Inaudible) 30.50**, but sir my request is that please do the AGM meetings in hybrid mode. Like Mr. Manoj he is from Kolkata and I am also from Kolkata and after that at evening I can attend the Mumbai AGM so I request you if MCA allows us to please adopt hybrid mode so



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that your local shareholders they can get acquainted and we also can elaborate our point through virtual platform this is our request and other than that one point as investor we see that value-added segment which is there of Fenesta so those valuation in the total overall pie we are unable to value your Fenesta business since it is a forward integration for PBC correct me there, so how can we look to create value for the shareholders going by creating small SKU or splitting the businesses into separate entities, what is the thought process of the management on that and also sir if we can look into splitting down further your stock from Rs. 2 to Rs. 1 because there is an impact cost whenever a mutual fund or an HNI participate in buying or selling that results in an abrupt movement of stock this is my understanding to be a participant in the market so these two are my suggestions look forwarding to interact with you on 25th when the Cocall will be held and all the best we look to hear much more from the entire team Vikram Sir, Ajay Sir and Kaul Sir and all the best. Thank you Gambhir Sir for this opportunity. Namaskar.

Ajay S Shriram: Thank you Kapoor. Thank you so much.

Moderator: Thank you. I now invite the next speaker shareholder Mr. Raju Verma from Delhi. Please proceed. Mr. Raju Verma please proceed with your question. Mr. Verma please unmute your audio and video from your device. As there is no response from the current participant we will move on to the next speaker shareholder. Mr. Kirti Shah from Mumbai. Mr. Kirti Shah please proceed with your question. Mr. Kirti Shah please unmute your audio and video from your device and proceed with your question. As there is no response from the current speaker shareholder we will move on to the next speaker shareholder Mr. Pravin Kumar from Delhi.

Pravin Kumar: I am audible sir.

Ajay S Shriram: Yes Pravin Kumar we can hear from voice, but we cannot see you.

Pravin Kumar: Sir a very, very good afternoon to my respected Chairman Sir and my decorated esteem board of director when I say decorated I really mean it earlier speaker also mentioned about Munjal sir, Pradeep Dinodia and Justice so they are all decorated in their field and they have proven themselves I am that sure that our Company will be benefit during the long run from their experience and expertise and my co fellow shareholders who join this meeting online, myself Pravin Kumar joining this meeting from New Delhi. I have few observation which I will have to share with the house A number one I am with the Company for years now and I (**Inaudible**) **34.35** today what our share price is running it is in four figures, for the future I put my hard earned money into the Company and I am very satisfy as a customer because my money grow on a sustainable and I will have to thank you for your detailed analysis for each you are doing which really cover everything so I really do not have any only have the compliments because my hard earned money is very much safe respected Chairman sir you have proven yourself, your dedication, your vision and very focused approach to create the wealth of the retail investor, fantabulous I bless I pray to the God that he will be bless you in the entire board of



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our Company so that you will take our Company to the newer height in the future sir. A little mention about respected Pradeep Dinodia Sir because you mentioned that I am part of the Shriram Pistons & Rings also, he is also visionary a thorough gentlemen and a great visionary. I have deepest respect as far as the retail investor is concerned sir the borrowed meter of the Company is also decided by corporate governance. In this regard I am 100% agree which the earlier speaker experienced with our Company Secretary Sir. He is an asset to us because if he have anything to ask during the COVID also he will clarify your queries with an answer. So, he is an asset to us I request to you that please maintain excellent standard of corporate governance in the future also and sir for the future I wish all the team and our coworker earlier who work for us during the COVID times best of the future sir and thank you very much for giving this opportunity to share my experience for more than two-decade sir. Thank you very much Sir.

Ajay S Shriram: Thank you Pravin Kumar ji. Thank you very much.

Moderator: Thank you. I now invite the next speaker shareholder connected on audio Mr. Mahender Pal Bhutani from Delhi. Please proceed with your question.

Mahender Pal Bhutani: Namaskar Chairman Sir, Board Member and Management team. My name is MP Bhutani my account digit is 054 I am from New Delhi. First of all I would like to thank and appreciate to CS and his team for their quick responses, transparent approach and accurate compliances made well in time I feel proud that management has taken all possible steps for employee safety during the pandemic and significant CRS contribution activities done in the crucial times for society. Sir my question is are inflation and the depreciation rupee a concern for the DSCL. Next the availability of semiconductor is a global challenges. The industry has been facing a semiconductor shortage, is there any **(Inaudible) 37.55** yet expert opinion is there this will be continue in next year this problem and next is could there be a project delay due to these challenges and next which segment do you see most growth coming from. Sir worldwide if we see what crisis from Western Sri Lanka, Indonesia, Turkey, Asian West and even also Russia war from that also a lot of impact is there in the world the economic position is in crucial position, the toll rising rate and rupee depreciation, inflation all these things are putting a negative impact in the industry so I want to know that what is our strategy and in which way our Company challenges how are we going to meet out in this year the remaining period for increasing muscle power what will be that. Sir as a shareholder I believe that Company management is far general in its thinking, transparent in its working, stronger in its commitment and lower responsible I would appreciate if you could briefly reply and I wish the Company all the best for the future and hope to see a healthy growth under your leadership and team in business and size of the Company. Sir Company Secretary Sameet Gambhir and his team I wish and thank from the bottom of my heart and Chorus team who have given us opportunity to join whatever possible they have helped us many difficulties also has come he has solved them this is a very good platform. Today I was attending the Wipro meeting Wipro



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though it is from Karvy from Karvy to YouTube and from YouTube the micro speaker who were there they joined through **(Inaudible) 40.15**, but Chorus is the best platform in India for coordination purpose joining this meeting. Sir I see that Company Secretary they have a big importance on Delhi, a good image he has and he has a tight grip in his field, under his experience we feel very good and whenever we meet with him and if we have any problem so we never think that we were ever in any problem the next moment he solve that problem very easily that is his biggest advantage and this is his way and this only Ajay ji under your leadership in the physical meeting we see you properly and you have a friendly relation in regard to the investor and in relation to the investor you will put your step forward to increase their valuation and to appreciate them. This we totally believe that and every time you stand up with our expectation and we are seeing that in the last year today our shares are in great height though it is little bit down, but compared to overall industry we do not have that much share what has happened to other industry share some are 40% down and some are 50% down shares, but our shares are standing tall and in the coming time it will rise because whatever problems have come our Company does not fly from fan it will fly its great will power and Ajay this fly we wanted that it will proceed and my best wishes with you and I salute you all who has given us a lot in this COVID time. Thanks a lot.

Ajaj S Shriram:

Thank you Bhutani.

Moderator:

Thank you very much. I now invite the next speaker shareholder Mr. Yashpal Chopra from Delhi. Please proceed with your question.

Yashpal Chopra:

Honorable Chairman Yashpal Chopra calling from Delhi. I have got lots of blessings and lots of congrats for the Shriram brothers and the all-around team of professionals around him. Sir I am with this Company since 1990 when this DCM share was being quoted around 990 and all that at that time I have taken entry and by virtue of that I became the shareholder of all the four companies. Since then, I have seen the companies down and up I have seen and now the time has come when my Company is at the top of the corporate sector. The Company has made the highest the share price has made the highest ever life time high price of 1,270 so that shows the strength of the management and the strength of the strategy and so we are very much proud of the team and the management and I just tell you that not only our Company, all the Company with a brand of DCM or Shriram they are up because since that Lala Shri Ram is just blessing all those Company in whichever sector they are so that is a big thing because you people, all the management of all those DCM group they are following the strategies of Lala ji. The strategy was integrity, transparency and he was always educating never compromise with the integrity and it should be all open and transparent deed and must regard the investors and the employees. So, Company has to think for them and the Company has been thinking and that is because of those strategies of the management of DCM groups that our companies in all the fields they are just scaling the new heights and I am very much proud of these all the companies under the brand of DCM. Sir our Company has attained a progressive space in this



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chlorovinyl and that is contributing 79% of our revenue that is a matter of achievement because people were under the impression that it is only because of the sugar and sugar industry that our Company is going up, but now when we have seen the balance sheet we will see those whoever is comfortable, but our main earner is as you call chlorovinyl so that is very good so that we have diversified in so many products. So, this is the wisest strategy because we cannot afford to depend upon only one of the items we have to just open up three, four another channels also because nobody knows at what time the government may impose any new rule on any industry. So, once we are having more than one so naturally we are afloat so that is a big thing and sir in the last in my AGM at Tata Steel I had spoken over there that those person who has laid down the foundation of the industrial revolution in India they should be awarded they should be given Bharat Ratna and all that and I had quoted the five names from this Tata, Birla and Gonekas, our Lala Shri Ram ji and Nandas and all that and I am happy to tell you that Mr. Chandrasekaran – Group MD of this Tata Group he has been awarded Padma Bhushan. So, I would like to draw the attention of the government that those person who are really doing strengthening the economy of the country they should be honored, they should be identified, they should be regarded that is why I appeal to the Government of India and I can speak a lot on the subject because I am with the Company for more around 30 years. There is a lot of saying if I come in the saying, but I have the habit that I do not say anything. So, I give my blessing and Company is running very good and runs good and in the Company walk we have a walk, Company's growth we have a growth and sir I am very much thankful to the corporate government under Mr. Sameet Gambhir and I am proud of his way of handling these investors that is a matter of pride for us. Sir I myself being a HRCian so I have got a greatest regard for Lala Shri Ram and I know that all those heritage of Lala Shri Ram is being maintained in almost all the digital group whether this will be the tag of brand of DCM or with the brand of Shriram. So, all those companies are going up, these are the blessings of Lala ji and this is our conviction in the trade, in the principles he laid down for the welfare of the Company and for the investor and for the employee. Okay so best of luck to you. Thank you sir. Thanks to our Moderators are getting chance to speak because it was very difficult today just to get the link. So, finally I got that so I am thankful to them also. Thank you sir.

Ajay S Shriram: Thank you Chopra.

Moderator: Thank you very much. I now invite the next speaker shareholder Mr. Manoj Kumar Gupta from Kolkata. Please proceed with your question.

Manoj Kumar Gupta: Hello can you hear me?

Ajay S Shriram: Yes Gupta ji we can hear you.

Manoj Kumar Gupta: Sorry due to disconnection of power some interruption was there. Sir I am thankful to your Company Secretary and his team for help us to join this meeting through VC and sir what is your view on the single use plastic ban with effect from 1st July 2022 to save the environment



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and the Earth the Government of India has imposed the ban of single use plastic and sir how you will face the challenge from inflation, inflation has gone up and every products raw material has gone up by 20% to 30% how you face this challenge for the inflation and sir is there any impact direct or indirect from Russia Ukraine war on our Company because you export to several countries, so there any impact on our Company direct or indirect? Sir your value-added product Fenesta uPVC Windows are very good because two or three my relatives has ordered and they have got that windows to settle in their houses so that is a very good qualities windows so I thanks to you that you are producing value added products. So, you should explore more products like Tata has started Pravesh in Tata Steel, you should also explore some more products, household products. Earlier we know that Hindustan Sanitaryware for only commode and toilet. Now Hindustan Sanitaryware has diversified so you should also think about to explore more products and have you any plan to split of shares from Rs. 2 to Rs. 1 to increase your market capital and liquidity in the market from Rs. 2 to Rs. 1 because today your market cap is 15,841crore if you will split the small investors will attract to buy and liquidity will increase and market cap will increase so think about that sir and sir have you any plan to come with some investment in North East part of the country or Eastern part of the country like Assam, Tripura or West Bengal because Assam is growing up after become the change of NDA comes in the power from last 6 years we are changing Assam has changed with a rapid pace, so have you any plan to invest some money from under the umbrella of Shri Ram in these part West Bengal. Sir it is my pleasure to visit your plant would you allow to see your plant and I have a great respect and regards to you; your family and I believe that you will take the Company on new heights under your leadership in coming time. Thank you Sir.

Ajay S Shriram:

Thank you Gupta. Thank you very much.

Moderator:

Thank you. I now invite the next speaker shareholder Mr. Raju Verma from Delhi. Please proceed. Mr. Raju Verma please proceed with your question. As there is no response from the current speaker shareholder we will move on to the next speaker shareholder Mr. Kirti Shah from Mumbai.

Kirti Shah:

Chairman Sir good afternoon. Chairman Sir in this week everything you have explained everything properly and your expansion is very good that till 2024 3,500 crores you are starting the plant. Chairman Sir one worry is that 2023 the depreciation if you will avoid then your profitability will be lot less because this much expansion depreciation will be a lot, interest cost will also come so now how are you going to proceed further and what will be the means of finance of the money for 3,500 crore. Chairman Sir I have one suggestion to you that convertible debenture you pick up for 3% so people money around 14% in the end it will be saved and in three years I will get 10% interest plus 25% discount I will get share so my yield will be around 15% so then will be very good for all shareholders that will be very good for that you think board of director this is also a social activity that senior citizen money is under



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your Company 14%, 15% money it will stay then that will be very good for that you have to think that seriously. Chairman Sir the working which you have shown of March order in that your net profit margin is 14% compared to 10.84 in whole year average and in this December quarter is around 12.50% then it has risen a lot 1.5% it has risen so how June quarter is for that also if you will tell that will be good. Chairman Sir your promoter holding is very less 66.52% you can go up to 75%. Like 20% price correction has been done you know that what your Company can become in the coming time so if you will increase your holding then it will be good because price to book value today also it is very low so old Company, this asset based Company price to book value only 2.82 it is very less so for that you have to think for that and Chairman Sir in today date the valuation of Company have you ever done the valuation what should be the Company valuation in today date, if you will do that will be very helpful and your brand value, patent value in today date what is the value. So, young generation MBA students what is your proper diversification Company is there that will be a great benefit, so if you will do the valuation then it would be good. Chairman Sir wish you all the best. Thank you very much Sir.

Ajay S Shriram: Thank you Shah. Thank you very much.

Moderator: Thank you. I now invite the next speaker shareholder Mr. Atul Gadodia from Kolkata. Please proceed.

Atul Gadodia: Thank you for giving me an opportunity, is my voice audible?

Ajay S Shriram: Yes please go ahead. Your voice is not coming.

Moderator: Mr. Gadodia we are not able to hear you. Please proceed with your question. Mr. Atul Gadodia we are not able to hear you sir. Please proceed with your question. As there is no response from the current speaker shareholder we will move on to the next speaker shareholder Mr. Raju Verma. Please proceed with your question.

Raju Verma: Sir can you hear my voice.

Ajay S Shriram: Yes it is coming.

Raju Verma: Good afternoon Sir I am Raju Verma Shareholder speaking from New Delhi and in this AGM I welcome you all and along with that I thank to the Secretarial Department that they have given me the opportunity. Till now many things have been said, many things have been cleared in Chairman speech and how much praise we do is very less for Chairman Sir for dedication, honesty, and hard work. DCM Shriram Limited to every employee I salute all of them who have helped the Company to grow and they have given their best. DCM Shriram Limited is an investment Company and I follow the resolution and in future do the meeting in VC and in this



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anybody can join from anywhere and Company has performed very well. Shares price or divided or Company growth it is very good. Thank you so much.

Ajay S Shriram: Thank you Verma. Thank you very much.

Moderator: Thank you. I now invite the next speaker shareholder Mr. Atul Gadodia connected on audio from Kolkata. Please proceed with your question.

Atul Gadodia: Yes now it is my voice clear.

Ajay S Shriram: Yes we can hear you Atul ji.

Atul Gadodia: Yes thank you so much for facilitating. Now why does not the Company go ahead with demerger of all its divisions since it is having multiple divisions sugar, cement, chemical, fertilizers, so would it be a feasible option to go for demerger. Number one the second question is there was a sugar policy noted by the Mulayam Singh government and I believe even our Company had invested quite a large sum and there was some returns incentives from it, so what is the fate of that sugar policy and what is the revenue stream from packed incentive and thirdly like there are many distress rivals, bigger rivals in UP who are in distress in Sugar business I mean, so will the Company look for any Brownfield acquisition of something like that of those sugar asset with these I would like to close my option of speaking. Thank you so much.

Ajay S Shriram: Thank you so much.

Moderator: Thank you very much. That was the last speaker shareholder. Over to Chairman Sir for further proceedings.

Ajay S Shriram: Thank you. I would like to thank all our shareholders who have taken interest to ask us questions and to participate of course, but to ask questions. So, I will go one by one briefly on each one. I appreciate the point made by Mr. Pradeep Sood and his colleague Mr. Ajay Khurana. The efforts of the management team and Company Secretary we also agree that I think ultimately at the end of the day it is the management team which is the crucial driver for success and our approach three brothers as someone has also mentioned rightly and our top management team and the management team across the board they are the ones who give us strength to take our Company forward we really value that and as you rightly said Mr. Sood it is I think the Chorus who organized this interaction today which is going very smoothly we really appreciate that and thank you once again for your kind words. Mr. Manoj Kumar Gupta also raised many issues, please to attend here and of course we have a very distinguished board, the valued inputs of our directors tremendously we have detailed discussions and we see their inputs coming in which is always a value add and our team itself is strong. You asked about the issue of splitting our shares on Rs. 2 to Rs. 1 that is something to be honest we have

not really debated, but you raised this point we will discuss at the board and take a view on that.

On the issue of single use plastic that is plastic is a concern worldwide not only in India and unless and until some change is made. We have a saying that if you always do what you always did, you will always get what you always got unless we make a change we will not come out with a new solution. So, I think moving for single use plastic ban etcetera is a good direction. We have to look at solutions and get into single use plastic to re-use a plastic as well as reprocessing of plastic. I think requirement is there across the board. Inflation challenge yes it is inflation, but you also asked this related question of the Russia-Ukraine war. I think this Russia-Ukraine war has created the geopolitical solution which have disrupted the business economy across the world that has affected India too whether it is on energy prices, whether it is on shipping and transportation, whether it is availability of goods all that has made a big difference.

So, yes it is there, but we have tried to move as proactively as possible to connect up with our suppliers, connect up with our customers and have a tie up. So, we can continue our business as good as possible and by God grace we were moving very satisfactorily. Fenesta is a great value add business for the group and we have actually within this business we have moved from only PVC Windows to aluminum windows we are looking at different price brands and were always exploring new avenues of growth that is an ongoing activity as a philosophy in our group that is something we will continue doing.

Regard North East already Fenesta has started open the showrooms in North East, our Agri businesses are looking at North East. So, I think we get a better feel and grip of that then we will get to know what more we can do for the North East part of it, but that is an integral part of India and our objective down the line is to participate more in the North East of India.

Mr. Saket Kapoor raised many issues regarding our team we appreciate that. You get information and I am happy to hear that. Caustic soda capacity utilization you talked about. Caustic soda is a business where its integral requirement through any economy growth. In India, the per capita consumption of caustic soda is still very low compared to more developed countries in the world. So, the potential in India is good I think the important point is I see competitive supplier on a world scale, do we have our efficiencies right, do we have our customer relationship right and are we working with the objective of being a world class competitive producer with world class relationship with customers so we get a preference and I think that is something we are always looking at, we are always working on that direction and yes import, export will continue going up and down that is part of business cycle for any business. So, we are also in the same thing, but it is good to see that exports from India are going up now which is a positive sign for the Indian market across the board.

Then this issue also Mr. Kapoor asked regarding Urea and Nano Urea yes Nano Urea has started we are exploring that also to see how does it make business sense for us, what are the options we are looking in that, hybrid mode for AGM where we sincerely hope next year we will have a full physical AGM and not have to get into a virtual mode but let us hope and pray COVID comes more under control compared to where we are. Fenesta business value add I have already shared with you what we are looking at and we want to keep growing again splitting the stocks from Rs. 1 to Rs. 1 as I said we have not talked about it, we have had had a discussion about it, something we will debate and discuss among ourselves.

Then Raju Verma asked questions regarding talked about the Company, investor friendly thank you so much Verma ji for your kind comments and observations. We appreciate that.

Mr. Kirti Shah raised questions regarding the June quarter results. We had a board meeting today. The results have been finalized for the quarter they will come out in the papers tomorrow or in a website this evening, you can have a look at that which will give you a clear idea of what is the performance like in the first quarter of this financial year. You mentioned about our investments of 3,500 crores as I indicated in my speech also our debts levels are very low. So, our borrowing capacity is substantial plus our cash flows are also satisfactory. So, keeping these two in mind we do not foresee really any big problem in yes our ratios will change, but with large CAPEX of this type there will always be a change, but we think is in the right direction to keep the momentum of growth in the Company going we will move on that. About 6% convertible debentures that is a thought we will discuss in our finance team also. Family shareholding at 66% we are quite happy with that; the option is of course to go forward all the time that is another debatable point we will have a look at.

Mr. Pravin Kumar raised his issue of our board again as I mentioned we have a tremendous board, a great value-added board, we really appreciate the input of our directors on our discussions. Thank you for your good wishes. We may talked about Mr. Pradeep Dinodia yes he is great value add and been a support for us for since 1990 since the restructuring of DCM took place. Our focus is on corporate governance. We believe in that and we want to get into detailed analysis we really see transparency as integral requirement for good governance so that is the focus you always do.

Mr. Atul Gadodia raised some issues of demerger. We have debated often on, but we found these value the way we are going today. It is a topic which may come up and discuss in the near future, but at the moment we have no plans of looking at this issue. Sugar policy with Mulayam Singh government yes they brought in yes we also invested money at that time. Unfortunately, they brought in this policy maybe 12 years, 14 years back when the Mulayam Singh government came back they then report against it, they have not yet implemented their own policy they brought in earlier. We are also import on this issue and we hope to get some benefit coming out of that. The stress assets yes we are always looking at growth that is part of



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our philosophy so we will see what can be done, what cannot be done that is ongoing activity all the time.

Mr. Bhutani also raised the point Mr. Bhutani raised the issue about Company Secretary inflation and depreciation is a concern. Well, I will be honest inflation is affecting all businesses across the board. It is affecting our input prices also and it is affecting our selling prices also. So, we had the benefit of getting the benefit of a higher selling price which will help us give our performance better. There had been some delays in our projects due to the COVID period that has got impacted. Now things are opening up and we sincerely hope the timelines I mentioned in my speech we are working to complete them in that time frame. Well actually most growth we are seeing all our businesses growing at different levels, we are not looking at one or the other as I have given you details of our growth plans are that gives you an idea where we are investing and what the growth is. We do believe in scale; we do believe in size. We think that the inflation and the people cost and the cost keep going up 7%, 8% a year unless we keep growing at least at that we will not be able to move forward. So, our philosophy is to keep growing our businesses so that we get better return and we get better returns which can ultimately help all our stakeholders excluding our shareholders. You mentioned about share price yes that moves up and down frankly we are not we just note what is happening in the share market that is part of our philosophy, but we are happy with the good performing Company that is our approach and that is our focus area that is where we would like to focus on.

Mr. Yashwant Chopra also raised some points regarding the Shriram brothers and the top management team. Thank you so much we really value that. There is something which is very important. Our share price did reach 1220 at one time that is good but share markets as we said move up and down we have seen that and you all know that better than we do. We have the blessing Sir Shriram we believe in that; his value is approach it is something which guides us even today and our focus on our investors and our employees is of high order and we value that tremendously. The Chlorovinyl business is a good growth area we have grown tremendous in that when we complete this expansion of 850 tons a day at Bharuch. Our Gujarat factory will be the largest single location plant in the world with 2,200 capacity and as a Company we will have over 2,700 tons a day capacity the second largest in India. So, we want to continue growing in all our business over.

I think that is my attempt to cover all the questions raised by various shareholders. Thank you so much for all your interest you have taken and we look forward to interacting further. As you are aware that all the solutions were put to eVote and eVoting period was open from 16th of July 2022 to 18th of July 2022. I hope all of you must have cast your eVotes by now. However, those who have not cast their vote through remote eVoting have the opportunity to eVote now and accordingly they may eVote on the resolutions by using the facility of eVoting



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provided at the portal through which you have logged in. The results of voting will be declared within 2 days and will be uploaded on the Company's website.

Ladies and gentlemen thank you so much for participating in today's meeting and I now declare the meeting closed, but the eVoting window will be open for another 30 minutes. Thank you very much once again for participating in our companies AGM. Thank you.

Moderator:

Dear shareholders, we request all of you participating in this AGM and who have not yet cast their vote to do so in the remaining period of 15 minutes. Thank you. Dear shareholders, the time for eVoting has elapsed. All members who are participating in the Annual General Meeting have been given adequate time and opportunity to vote at the AGM. This concludes the proceedings of AGM. Thank you all for participating in the AGM and eVoting.