



DCM SHRIRAM

DCM SHRIRAM INDUSTRIES LTD.

Annual Report 2014-15

DCM SHRIRAM INDUSTRIES LIMITED

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

DCM SHRIRAM INDUSTRIES LIMITED

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

NOTICE

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

By order of the Board
For DCM SHRIRAM INDUSTRIES LIMITED



(Y.D. Gupta)

New Delhi

May 29, 2015

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

NOTES:

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

The instrument of proxy in order to be effective, should be deposited at the Registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution / authority, as applicable.

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

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

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

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

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

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

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

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

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

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

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

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

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

Item No. 5

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

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

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

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

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

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

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

Item No.8

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

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

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

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

Note:

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

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

Interest

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

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

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

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

Financial Summary

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

Appropriation and Dividend

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

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

Auditors' Report

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

Secretarial Audit Report

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

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