



DCM SHRIRAM

DCM SHRIRAM INDUSTRIES LTD.

Annual Report 2017-18

DCM SHRIRAM INDUSTRIES LIMITED

Board of Directors	Shri Tilak Dhar	Chairman & Managing Director
	Shri Alok B. Shriram	Vice Chairman & Dy. Managing Director
	Shri Madhav B. Shriram	Dy. Managing 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)
	Shri N.K. Jain	Chief Financial Officer
	Shri P.V. Bakre	Group Sr. Vice President

Company Secretary	Shri Y.D. Gupta	Chief General Manager (Law & Taxation)
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Bankers	State Bank of India
	Punjab National Bank
	Oriental Bank of Commerce
	Axis Bank Ltd.
	Karnataka Bank Ltd.
	Bijnor Zila Sahkari Bank Ltd.
	Meerut Zila Sahkari Bank Ltd.
	Lakhimpur Kheri Zila Sahkari Bank Ltd.

Auditors	B S R & Co., LLP
	Gurugram

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	: https://www.dcmsr.com

DCM SHRIRAM INDUSTRIES LIMITED

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

NOTICE

The 27th Annual General Meeting of the Company will be held on Saturday, the 11th August, 2018 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. Adoption of Financial Statements

To consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31st March, 2018 and the Reports of the Board of Directors and Auditors thereon.

2. Declaration of Dividend

To declare dividend for the financial year ended 31st March, 2018.

3. Appointment of director liable to retire by rotation

To appoint a director in place of Shri K.N. Rao (DIN 06730043), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

4. Cost Auditors – Ratification of Appointment

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.1.33 lakh plus Service Tax/ GST and out of pocket expenses, if any, 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 year 2018-19, be and is hereby ratified and confirmed.”

5. Reappointment of Shri Alok B. Shriram, Vice-chairman & Dy. Managing Director

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

“RESOLVED THAT pursuant to Sections 196, 197, 198, and Schedule V of the Companies Act, 2013, as amended from time to time and other applicable provisions, if any, of the said Act and/or any other applicable Regulations, and subject to such approvals, if any, required, approval of the Company be and is hereby accorded to the reappointment of Shri Alok B. Shriram, Vice Chairman & Dy. Managing Director, whose present term of office expires on 30.9.2018, for a further period of 5 years w.e.f. 01.10.2018 on the terms and conditions and remuneration as set out in the Explanatory Statement to this Notice.”

“RESOLVED FURTHER THAT the Board of Directors or a Committee thereof, duly authorized by the Board, be and is hereby authorized to alter, increase, vary or modify from time to time, the said terms including as to remuneration and/ or designation as it may deem fit, subject to the provisions of the above said Sections read with Schedule V and other applicable provisions of the Companies Act, 2013 or any other Regulations as may be applicable.”

“RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year the managerial personnel be paid the remuneration other than commission as set out in the Explanatory Statement or such higher amount as may be permitted subject to necessary approvals and also, subject to the overall ceilings laid down in Part II of Section II of Schedule V of the Companies Act, 2013 or any amendment thereto or any other Regulations.”

6. Reappointment of Shri Tilak Dhar, Chairman & Managing Director

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

“RESOLVED THAT pursuant to Sections 196, 197, 198, and Schedule V of the Companies Act, 2013, as amended from time to time and other applicable provisions, if any, of the said Act and/ or any other applicable Regulations and subject to such approvals, if any, required, approval of the Company be and is hereby accorded to the reappointment of Shri Tilak Dhar, Chairman & Managing Director, whose term of office expires on 31.3.2019, for a period of 5 years w.e.f. 01.10.2018 on the terms and conditions and remuneration as set out in the Explanatory Statement to the Notice.”

“RESOLVED FURTHER THAT the Board of Directors or a Committee thereof, duly authorized by the Board, be and is hereby authorized to alter, increase, vary or modify from time to time, the said terms including as to remuneration and/ or designation as it may deem fit, subject to the provisions of the above said Sections read with Schedule V and other applicable provisions of the Companies Act, 2013 or any other Regulations as may be applicable.”

“RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year the managerial personnel be paid the remuneration as set out in the Explanatory Statement or such higher amount as may be permitted subject to necessary approvals and also, subject to the overall ceilings laid down in Part II of Section II of Schedule V of the Companies Act, 2013 or any amendment thereto or any other Regulations.”

7. Reappointment of Shri Madhav B. Shriram, Dy. Managing Director

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

“RESOLVED THAT pursuant to Sections 196, 197, 198, and Schedule V of the Companies Act, 2013, as amended from time to time and other applicable provisions, if any, of the said Act and/ or any other applicable Regulations and subject to such approvals, if any, required, approval of the Company be and is hereby accorded to the reappointment of Shri Madhav B. Shriram, Dy. Managing Director, whose term of office expires on 31.3.2019, for a period of 5 years w.e.f. 01.10.2018 on the terms and conditions and remuneration as set out in the Explanatory Statement to the Notice.”

“RESOLVED FURTHER THAT the Board of Directors or a Committee thereof, duly authorized by the Board, be and is hereby authorized to alter, increase, vary or modify from time to time, the said terms including as to remuneration and/ or designation as it may deem fit, subject to the provisions of the above said Sections read with Schedule V and other applicable provisions of the Companies Act, 2013 or any other Regulations as may be applicable.”

“RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year the managerial personnel be paid the remuneration other than commission, as set out in the Explanatory Statement or such higher amount as may be permitted subject to necessary approvals and also, subject to the overall ceilings laid down in Part II of Section II of Schedule V of the Companies Act, 2013 or any amendment thereto or any other Regulations.”

By order of the Board
For DCM SHRIRAM INDUSTRIES LIMITED



(Y.D. Gupta)

Company Secretary & Chief General Manager
(Law & Taxation)
FCS 3405

New Delhi,
May 29, 2018

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NOTES:

1. Explanatory Statement, as required under Section 102 of the Companies Act, 2013, is annexed.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 01.08.2018 to 11.08.2018 (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 not exceeding fifty (50) Members 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. A dividend of Rs.4 (40%) per share of Rs.10 has been recommended by the Board of Directors for the year ended 31.03.2018 and subject to the approval of the shareholders at the ensuing AGM, is proposed to be paid on or before 10.09.2018.
5. In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred the unclaimed dividends in respect of the Financial Year 2009-10 to the IEPF in October, 2017. The details are available on the website of the Company i.e. <https://www.dcmsr.com>.

The shares in respect of which dividend has not been claimed for 7 consecutive years or more shall also be transferred to the IEPF following the prescribed procedure. The Company had in compliance with the said Rules transferred 406365 equity shares held by 27848 shareholders to IEPF in the month of December, 2017. The shares and dividend so transferred can be claimed from the IEPF after complying with the prescribed requirements. As per the Rules the holders of such shares cannot exercise any of the rights attached to the shares unless the shares are reclaimed from the IEPF.

The shareholders, who have not encashed their dividend warrant/s for the previous year/s may contact the Company or Registrar & 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, 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. **Members may note that SEBI by Circular dated 20.4.2018 has made it mandatory for the persons holding shares in physical form to furnish their PAN and Bank details to the Company/ Registrars & Transfer Agent (Karvy). Members are requested to comply with the requirement at the earliest.**
7. The Securities and 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. The information with regard to Shri K.N. Rao, whose reappointment as a Director, liable to retire by rotation, given in Note 18 hereunder, forms an integral part of this Notice.
9. Electronic copy of the Annual Report for year ending 31.3.2018 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 by the permitted mode.
10. Electronic copy of the Notice of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip 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 27th 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 by the permitted mode.

11. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website <https://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/ courier, 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 27th 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 07.08.2018 at 10.00 AM and will end on 10.08.2018 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 :

- (a) Open your web browser during the voting period and navigate to "<https://evoting.karvy.com>"
- (b) 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	<p>- <u>For Members holding shares in Demat Form:</u></p> <p>a) For NSDL- 8 character DPID followed by 8 digit Client ID</p> <p>b) For CDSL- 16 digit beneficiary ID</p> <p>- <u>For Members holding shares in Physical Form:</u></p> <p>Electronic Voting Event Number (EVEN) followed by Folio no. registered with the Company</p>
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.

- (c) Please contact on toll free no.18003454001 / 040-67161527 for any further clarification.
- (d) Members whose name appear in the register of members/ beneficial owners as on cut off date i.e. 31.07.2018, can cast their vote on-line from 10.00 AM on 07.08.2018 up to 5.00 PM on 10.08.2018.
- (e) After entering these details appropriately, click on "LOGIN".
- (f) 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

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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 number, 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.

- (g) You need to login again with the new credentials.
 - (h) On successful login, system will prompt to select 'Event' i.e. 'Company Name'.
 - (l) 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.
 - (j) 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".
 - (k) 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.
 - (l) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
 - (m) Corporate/ Institution Members (Corporate/ FIs/ FII's/ Trusts/ Mutual Funds/ Banks, etc) are required to send scanned (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to investorservices@dcmsr.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name- -Event no."
 - (n) Shri Swaran Kumar Jain (C.P.No.4906), Practicing Company Secretary, has been appointed as the Scrutinizer 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 2 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 "https://www.dcmsr.com" and on the website of Karvy immediately.
16. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. We propose to send all future communications in electronic mode to the email address provided by you. Members who have not registered their email IDs are requested to intimate their email ID to the Company's Registrars, viz. Karvy Computershare Pvt. Ltd. (Email ID: einward.ris@karvy.com) or their depository participants.
17. **Inspection:** All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days, upto and including the date of the Annual General Meeting of the Company.
18. **Profile of the Director retiring by rotation:** Shri K.N. Rao, was reappointed on the Board as a Director liable to retire by rotation at the AGM held on 24.9.2015. Shri K.N. Rao is holding B. Sc. Engg (Mechanical) Degree and a Post Graduate Diploma in Business Management. He also holds a Diploma in Material Management. He has over 27 years in Company experience and 17 years prior experience before joining the Company. He holds 130 equity shares of Rs.10 each in the Company. He has no other directorships.
- None of the other directors or key managerial personnel of the Company or their relative(s) is interested financially or otherwise in the resolution.

Annexure

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

Item No.4

The Board of Directors in their meeting held on 29.5.2018 appointed M/s. Ramanath Iyer & Co., Cost Auditors, 808, Pearls Business Park, Netaji Subhash Place, Delhi – 110034 as Cost Auditors of the Company for the year 2018-19 at a remuneration of Rs.1.33 lakh plus out of pocket expense and taxes as may be applicable, on the recommendation of the Audit Committee, pursuant to Section 148 of the Companies Act, 2013.

The above remuneration to the Cost Auditors, fixed by the Board for the financial year 2018-19, 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.4.

Item Nos.5 to 7

- A. Shri Alok B. Shriram, Vice Chairman & Dy. Managing Director, was appointed for a term of 5 years w.e.f. 01.10.2013. Shri Alok B. Shriram is looking after the Rayons Division of the Company. The Board of Directors on the recommendation of the Nomination & Remuneration Committee has reappointed Shri Alok B. Shriram for a further period of 5 years from 01.10.2018 considering his performance, on the terms and conditions given in the statement below, subject to the approval of the shareholders.
- B. The Board of Directors, on recommendation of the Nomination & Remuneration Committee has also approved reappointment of Shri Tilak Dhar, Chairman & Managing Director and Shri Madhav B. Shriram, Dy. Managing Director, whose current terms of office expire on 31.3.2019, for a further period of 5 years w.e.f. 01.10.2018, subject to the approval of the shareholders. The Board of Directors has decided to prepone the reappointment of these managerial personnel in order to synchronize the dates of reappointment of these managerial personnel. Such preponement is permitted u/s 196 of the Companies Act, 2013.

The proposed remuneration, other terms and conditions, and particulars of the managerial personnel are as under:

Particulars	Shri Alok B. Shriram (VC & DMD)	Shri Tilak Dhar (CMD)	Shri Madhav B. Shriram (DMD)
Salary (Rs. Lakh/ per month)	5.90	6.00	5.80
Housing	Company maintained accommodation/ 50% HRA	Company maintained accommodation/ 50% HRA	Company maintained accommodation/ 50% HRA
Gas, Water, Electricity, Furniture, Furnishings and house maintenance	Actual	Actual	Actual
Medical expenses (p.a.)	Actual	Actual	Actual
P.A. Insurance	As per Company Rules (APCR)	APCR	APCR
L.T.C./Leave	APCR (Privilege leave not availed will not lapse and may be encashed at the time of cessation of service.)	APCR (Privilege leave not availed will not lapse and may be encashed at the time of cessation of service.)	APCR (Privilege leave not availed will not lapse and may be encashed at the time of cessation of service.)
PF, Gratuity & Superannuation	APCR	APCR	APCR
Club Fees (Admission/ life membership fee not allowed)	2 Clubs	2 Clubs	2 Clubs

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Commission on profit * (including remuneration)	3% of net profit as per sec.198 of the Cos. Act, 2013	3% of net profit as per sec.198 of the Cos. Act, 2013	3% of net profit as per sec.198 of the Cos. Act, 2013
Age	57	62	53
Qualification	B.Com.(Hons)	B.Com.(Hons), MBA & CA(Inter)	B.Com.(Hons), MBA
Experience	38 years	38 years	30 years
Other Directorships	- Shriram Midivisana Engg. Pvt. Ltd. - Lily Commercial P. Ltd. - Pee Kay Alkalies P. Ltd. - Quick lithographers P. Ltd. - Synergy Environics Ltd.	- H.R. Travels Pvt. Ltd. - Gentech Chemicals Pvt. Ltd.	- Divine Investments Pvt. Ltd. - Varuna Overseas Pvt. Ltd.
Shareholding in the Company (Equity/Rs.10 each)	8536	11816	66

* Subject to the above limits commission on profit to be decided by the Board but not to exceed overall limits of remuneration u/s 197/ 198 read with Schedule V of the Companies Act, 2013 or any other applicable Regulations.

Other Terms Applicable to the Re-appointments

- Salary, perquisites and commission/reward to all the managerial personnel shall not exceed 10% of the net profits computed in the manner laid down in Section 198 of the Companies Act, 2013 for all the managerial personnel in any financial year.
- The managerial personnel will also be entitled for Company maintained chauffeur driven car, communication facilities, reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company and maintenance of a residential office suitable to their position. These will not be considered as perquisites for the purpose of ceilings on remuneration under the Companies Act.
- Remuneration for part of the year will be computed on pro-rata basis.
- In the event of absence or inadequacy of profits in any financial year the managerial personnel will be paid the above remuneration, subject to the ceiling provided in Part II Section II of Schedule V of the Companies Act, 2013 or such higher amount as may be permitted by the Govt. or subject to such approvals as may be required as minimum remuneration. (In such an event contributions to Provident Fund & Superannuation Fund, to the extent these are exempt under the Income-tax Act, 1961 and gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of tenure will not be included for computing the ceiling on perquisites).
- The re-appointment may be terminated by either party giving to the other six calendar months' notice in writing or lesser notice as may be agreed to. In the event of termination of appointment by the Company, the managerial personnel shall be entitled to compensation in accordance with the provisions of the Companies Act.

Considering the skill and contributions of the above managerial personnel in managing the affairs of the Company, the Directors recommend the Resolutions for your approval.

Except Shri Alok B. Shriram (Res.No.5), Shri Tilak Dhar (Res.No.6) and Shri Madhav B. Shriram (Res. No.7), none of the directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolutions.

Interest

Except as indicated under the respective item, none of the directors or Key Managerial Personnel or their relative(s) is concerned or interested financially or otherwise in the Resolutions.