



A N N U A L      R E P O R T      1 9 9 9      -      2 0 0 0



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LALA SHRI RAM  
(1884-1963)

**Board of Directors**

Shri Mantosh Sondhi  
Chairman

Shri Ajay S. Shriram  
Vice-Chairman & Managing Director

Shri Vikram S. Shriram  
Joint Managing Director

Shri Rajiv Sinha  
Dy. Managing Director

Dr. S.S. Bajjal

Shri Arun Bharat Ram

Shri Harnam Dass Wahi

Shri P.K. Choksey

Shri Pradeep Dinodia

Shri M.V. Muthu  
IFCI Nominee

Shri R.M. Malla  
IDBI Nominee

**Executive Director & Secretary**

Shri V.P. Agarwal

**Bankers**

Punjab National Bank  
Bank of Baroda  
Oriental Bank of Commerce

**Auditors**

M/s. A.F. Ferguson & Co.,  
New Delhi.

**Registered Office**

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

Tel. No. 3316801  
Fax No. (91) 011-3357803

# SUBSTANTIAL ALL ROUND IMPROVEMENT



Dear Friends,

The last year witnessed a general improvement in economic environment both globally as well as in India. This has had a positive impact on DSCL, particularly in Plastics and Chemicals businesses.

The efforts made over the last few years in building a competitive, agile organisation have encouraged us to move towards new growth avenues.

With the objective of re-orienting our business portfolio towards more value added and knowledge driven businesses, good progress has been made during this year.

In the Chemicals Business, we have added two new value-added chemicals-Poly Aluminium Chloride and Stable Bleaching Powder, to cater to the Water Treatment Segment.

We have expanded the PVC Compounding facility to enable us to enter newer markets. We are also investing on market and application development, to take this business to a higher level of activity.

As a part of our efforts to leverage our existing strengths in energy management, a new company, DSCL Energy Services Company Ltd. has been formed. We have signed a memorandum of understanding with BC Hydro, the second largest energy services company in Canada, to pursue opportunities in this area.



With the objective of strengthening the Sugar Business Platform, the capacity has been expanded to 3800 tcd. This is being expanded to achieve a consistent crush of 5000 tcd in the forthcoming season.

As part of our ongoing strategy to continuously improve the cost structures, we have added an additional power generating capacity of 10.3MW. This addition will make us almost entirely self sufficient in our power requirements at the Kota complex.

There is continued uncertainty over fertiliser pricing. The government has been considering various alternatives to modify/replace the current retention pricing scheme. But, no final view has been formulated as yet. Further, in view of the removal of quantitative restrictions, the policy for import and custom duty on fertilisers like urea has to be finalised and for this purpose, a task force has been set up.

We continue with our efforts to leverage Information Technology to make our businesses more competitive. Building on our existing strengths in the ERP package SAP, work is now being done to web enable our businesses for e-commerce. The SAP Network is being further augmented to provide connectivity to more field offices.

Owing to the successful implementation of the various organisation-building initiatives undertaken in the past few years and the overall improvement in business environment, we now look forward to a new phase of growth.

With best wishes.

Your sincerely,

(VIKRAM S. SHRIRAM)  
JOINT  
MANAGING DIRECTOR

(AJAY S. SHRIRAM)  
VICE CHAIRMAN &  
MANAGING DIRECTOR

**REGISTERED OFFICE :**

6th Floor, Kanchenjunga Building,  
18, Barakhamba Road, New Delhi.

**NOTICE**

**Notice** is hereby given that the Eleventh Annual General Meeting of DCM Shriram Consolidated Limited will be held on Tuesday, the 8th August, 2000 at 10.00 A.M. at the Air Force Auditorium, Subroto Park, New Delhi to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Directors' Report, the audited Balance Sheet of the Company as at 31st March, 2000 and the Profit and Loss Account for the year ended on that date.
2. To declare dividends on preference and equity shares.
3. To appoint a Director in place of Shri Mantosh Sondhi, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. S.S. Bajjal, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri Arun Bharat Ram, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint a Director in place of Shri B.G. Vazirani, who retires by rotation and being eligible offers himself for re-appointment.
7. To appoint M/s. A.F. Ferguson & Co., Chartered Accountants, auditors of the Company and to fix their remuneration.

**SPECIAL BUSINESS:**

8. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
"Resolved that pursuant to Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such consents and approvals as may be necessary, the Board of Directors of the Company or a duly constituted Committee thereof be and is hereby authorised to mortgage and/or charge all or any of the present and future movable and immovable properties of the Company, situated at Shriram Fertilisers & Chemicals Complex at Kota (Rajasthan), units of the Company, together with all buildings and structures thereon and all plants and machinery attached to the earth both present and future and the whole of the undertaking of the Company relating to the said units together with the power to take over the management of the business and concern and/or undertaking of the Company relating to the aforesaid units in certain events of default for the purpose of securing the following financial assistance from the respective Financial Institution(s)/Bank(s) as mentioned herein below:

**As and by way of First Charge:**

<u>Lender</u>	<u>Financial Assistance</u>
— IFCI Ltd. (IFCI)	Rupee Term loan of Rs. 33 Crores
— Industrial Development Bank of India (IDBI)	Corporate loan of Rs.10 Crores
— ICICI Ltd. (ICICI)	Rupee Term loan of Rs. 25 Crores
— ICICI Ltd. (ICICI)	Foreign Currency Loan of JPY 490 million (equivalent to Rs. 20 Crores)
— Oriental Bank of Commerce (OBC)	Rupee Term Loan of Rs.16.25 Crores

**As and by way of Third Charge:**

Enhanced working capital facilities of Rs.27483 lacs (Rs.12969 lacs for fund based and Rs.14514 lacs for non-fund based) from the undermentioned banks:

	<u>Rs. in lacs</u>
— Punjab National Bank (Lead Bank) (PNB)	20733
— Oriental Bank of Commerce (OBC)	3158
— Bank of Baroda (BOB)	3592
Total	<u>27483</u>

## Notice (Continued)

as security for the repayments of the above mentioned financial assistance together with interest, additional interest, further interest, liquidated damages, compound interest, premia on prepayment, costs, charges, expenses and all other monies payable by the Company and that such respective mortgage(s)/charge(s) shall rank pari passu with similar mortgage(s) and charge(s) created/to be created by the Company to secure the financial facilities/ borrowings availed or to be availed by the Company from the Financial Institution(s)/Bank(s)/Body(ies) corporate.

Resolved further that the mortgage(s)/charge(s) created or to be created and/or all Agreements/Documents executed or to be executed and all acts done or to be done in terms of the above Resolution by and with the authority of the Board of Directors or any Committee duly constituted and authorised by the Board be and are hereby confirmed and ratified.

Resolved further that the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to finalise the documents to secure the facilities/borrowings as aforesaid and to do all such acts, deeds, matters and things as may be necessary, desirable, expedient for implementing the above Resolution and to resolve any question or doubt which may arise in relation thereto, or otherwise considered by the Board of Directors or a Committee thereof to be in the best interest of the Company."

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

"Resolved that pursuant to Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such consents and approvals as may be necessary, the Board of Directors of the Company or a duly constituted Committee thereof be and is hereby authorised to mortgage and/or charge all or any of the present and future movable and immovable properties of the Company, situated at Shriram Alkali & Chemicals at Bharuch (Gujarat), unit of the Company, together with all buildings and structures thereon and all plants and machinery attached to the earth both present and future and the whole of the undertaking of the Company relating to the said unit together with the power to take over the management of business and concern and/or undertaking of the Company relating to the aforesaid unit in certain events of default for the purpose of securing by way of First Charge the following financial assistance from the respective Financial Institution(s)/Body corporate as mentioned herein below:

<u>Lender</u>	<u>Financial Assistance</u>
— ICICI Ltd. (ICICI)	Foreign Currency Loan of JPY 270 million (equivalent to Rs.10 Crores)
— ICICI Ltd. (ICICI)	Rupee Term Loan of Rs.25 Crores
— Rabo India Finance Private Limited	Rupee Term Loan of Rs.15 Crores
— Unit Trust of India (UTI)	Privately Place Secured Redeemable Non-Convertible Debentures of Rs.10 Crores

as security for the repayments of the above mentioned financial assistance together with interest, additional interest, further interest, liquidated damages, compound interest, premia on prepayment, redemption, costs, charges, expenses, and all other monies payable by the Company and that such respective mortgage(s)/charge(s) shall rank pari passu with similar mortgage(s) and charge(s) created/to be created by the Company to secure the financial facilities/ borrowings availed or to be availed by the Company from the respective Financial Institution(s)/Body corporate.

Resolved further that the mortgage(s)/charge(s) created or to be created and/or all Agreements/Documents executed or to be executed and all acts done or to be done in terms of the above Resolution by and with the authority of the Board of Directors or any Committee duly constituted and authorised by the Board be and are hereby confirmed and ratified.

Resolved further that the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to finalise the documents to secure the facilities/ borrowings as aforesaid and to do all such acts, deeds, matters and things as may be necessary, desirable, expedient for implementing the above Resolution and to resolve any question or doubt which may arise in relation thereto, or otherwise considered by the Board of Directors or a Committee thereof to be in the best interest of the Company."

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

"Resolved that pursuant to Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such consents and approvals as may be necessary, the Board of Directors of the Company or a duly constituted Committee thereof be and is hereby authorised to mortgage and/or charge all or any of the present and future movable and immovable properties of the Company, situated at Shriram Fertilisers & Chemicals Complex at Kota (Rajasthan) and



**Notice (Continued)**

Shriram Alkali & Chemicals at Bharuch (Gujarat), units of the Company, together with all buildings and structures thereon and all plant and machinery attached to the earth both present and future and the whole of the undertaking of the Company relating to the said unit(s) together with the power to take over the management of business and concern and/or undertaking of the Company relating to the aforesaid unit(s) in certain events of default for the purpose of securing by way of First Charge the borrowing of financial assistance of Rupee Term Loan of Rs.16.50 crores from Oriental Bank of Commerce (OBC), together with interest, additional interest, further interest, liquidated damages, compound interest, premia on prepayment, costs, charges, expenses and all other monies payable by the Company and that such mortgage(s)/charge(s) shall rank pari passu with other mortgage(s) and charge(s) created/to be created by the Company to secure the financial facilities/ borrowings availed or to be availed by the Company from Financial Institution(s)/Bank(s)/Body(ies) corporate.

Resolved further that the mortgage(s)/charge(s) created or to be created and/or all Agreements/Documents executed or to be executed and all acts done or to be done in terms of the above Resolution by and with the authority of the Board of Directors or any Committee duly constituted and authorised by the Board be and are hereby confirmed and ratified.

Resolved further that the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to finalise the documents to secure the facilities/borrowings as aforesaid and to do all such acts, deeds, matters and things as may be necessary, desirable, expedient for implementing the above Resolution and to resolve any question or doubt which may arise in relation thereto, or otherwise considered by the Board of Directors or a Committee thereof to be in the best interest of the Company."

11. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

"Resolved that the approval of the Company be and is hereby accorded in favour of the Board of Directors pursuant to Section 309 and other applicable provisions, if any, of the Companies Act, 1956, to pay, subject to such other approvals as may be necessary, a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956, to all or some or any of the Directors other than the Managing Directors and Whole-time Director(s), if any, of the Company in such amounts or proportions and in such manner and in all respects as may be determined by the Board of Directors, such payments to be made in respect of profits of the Company for each year for a period of five years commencing from 1st April, 2000."

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

"Resolved, in supersession of the resolution passed at the Extra-ordinary General Meeting of the Company held on 27th day of April, 1994, under Section 293(1)(d) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, that the Board of Directors of the Company be and is hereby authorised to borrow at any time any sum or sums of money not exceeding Rs.1000 crores, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

13. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Section 314(1B) and all other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded to the revision of remuneration of Shri Ajit S. Shriram, Chief Executive (Sugar) of the Company, with effect from 1.6.2000 as set out below:

1. Salary : Rs. 85,000 per month with annual increase upto 15% of last drawn salary.
2. Cash Reward : An amount not exceeding Rs. 10 lacs per annum as may be decided by the Board Compensation Committee for Managing/Whole-time Directors from year to year.

3. Perquisites

In addition to the salary payable, Shri Ajit S. Shriram shall be entitled to perquisites as set out below:

- |  |   |  |
|--|---|--|
| — Housing                                    | : | Free house   |
| — Furnishing & Soft Furnishings at residence | : | Electrical Appliances — upto Rs. 6 lacs (Replaceable in 5 years) |
|  |   | Soft Furnishing — upto Rs. 1.25 lacs (Replaceable in 3 years)    |



**Notice (Continued)**

— Repair & maintenance of house/furnitures/ elect. appliances	:	Actuals
— Medical Reimbursement	:	Actuals subject to one month's salary per annum (subject to 3 years accumulation)
— Insurance	:	Personal Accident cover upto premium limit of Rs. 1000/- per annum.
— Motor Car	:	Actuals
— Water/Gas/Electricity	:	Actuals
— LTC	:	Actual fares to self and family once in a year or Encashment @ 1-1/2 month's salary in a year.
— Provident Fund Contribution	:	12% of salary
— Superannuation Fund Contribution	:	15% of salary

Resolved further that the Board of Directors be and is hereby authorised to accept such modification(s) in the revised remuneration payable to Shri Ajit S. Shriram, Chief Executive (Sugar), as may be imposed by the Central Government while granting its approval to such revision in his remuneration."

14. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

"Resolved that in accordance with the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956, the Memorandum of Association of the Company be altered by incorporating the following Sub-Clauses in Clause III C i.e. "Other Objects" under the "Object Clause" in the Memorandum of Association:

Sub-Clause No.61 To research, design, develop, purchase, import, take on hire, pilot, maintain, manage, exploit, export, sell, distribute and deal in all types of system software, application software, computer games, computer applications, information system packages, resource planning and software manning, processing software, and any other systems and application software used by or involving computers, data processing systems, information technology systems, broadcasting systems, transmission systems of all kinds and types including satellite, wave and underwater communication systems, defence applications or systems, electric, electronic, digital and any other advanced innovative systems that may be developed or come into being in the future, aviation and navigational systems and all consumer packages used by educational, domestic, entertainment, industrial, commercial and other sectors in all Indian and foreign languages and to provide complete solutions in Computer operations and related business activities on a CONCEPT TO COMMISSIONING basis including providing of Computer Consultancy Services, System Designing & Implementation, studying and identifying the management information needs & potential areas of computerisation, Manufacture and supply of complete range of Hardware, Multimedia communication Accessories, Network Installation & Solution Maintenance of Computer & Communication Equipment, Solutions to develop Application Software, Market System Software, innovative software and software of all kinds and for all uses and for all types of consumers in all Indian and foreign languages.

Sub-Clause No.62 To carry on business of providers of Internet services, Web sites, Telephone services including satellite based telecom services, owners and providers of band width, value added service providers like video conferencing, e-mail, e-commerce, and providers of all or any other information technology services, providers of facilities for video conferences, Tele-conference, and providers of any other mechanical, electrical, electronic, digital and other innovative communication services, and of all forms and types of entertainment including cable-TV, audio programmes of all kinds satellite TV, satellite direct to home TV operation, and to design, develop, purchase, import, take on hire, manufacture or otherwise acquire, own, maintain, manage, repair, alter, sell, export, lease out, let on hire, sell, dispose of and deal in all equipment, accessories and any equipment or accessory required for the above purposes.

Sub-Clause No.63 To research, develop, fabricate, assemble, manufacture, purchase, take on hire or otherwise acquire, own, manage, maintain, repair, alter, process, service, let on hire, sell, lease out or

**Notice (Continued)**

otherwise dispose of and deal in and provide, information, gateways solid state speech based products, micro process based control systems, computers, computer peripherals, computer consumables, telecommunication equipment, satellites transponders, transmission and broadcasting equipment, switching equipment, telephone switches, wireless apparatus, cables computers, computer peripherals and accessories, modems, fax machines, televisions, telephones, tele-printers, digital converters, data converters, and all other equipments, instruments, and products used in or required for transmission, communication and information technology including radio receivers, transmitters, image processors, data processors, electromagnetic waves intended for radio, telegraphic, telephonic and other communication purposes, audio and video reproduction, projection and amplification equipment and instruments, accessories and components thereof.

- Sub-Clause No.64 To produce, assemble, process, develop, own, take on hire or otherwise acquire, telecast, broadcast, let on hire, maintain, lease out, sell, distribute or otherwise dispose of and deal in educational programs, entertainment programs, computer aided designs, animated films, cinematographic films, advertisements bulletins, literature and other audio video products for industrial, commercial, domestic and advertisement purposes and to disseminate information relating to any product, activity or other matter in all Indian and foreign languages.
- Sub-Clause No.65 To carry on the business of and/or imparting education, training in computer software, hardware, office automation, web, internet, internet services, multimedia, e-commerce, E.R.P. development and/or implementation, communication systems, or in various other discipline of information technology that may evolve, from time to time, and management through manual or other computer systems whether in India or abroad, and imparting training in various disciplines of information technology and management and for the said purpose establish and run information technology education, research and development institute/s, establishing data processing centres and providing consultancy services.
- Sub-Clause No.66 To establish and carry on business as service provider for energy efficiency improvement projects as designer/consultant/operator on Build operate and transfer (BOT)/Build, own, operate and transfer (BOOT)/Build, own, operate and maintain (BOOM) basis in industry, building complexes including hotels, hospitals, entertainment and recreation centres, transportation, mining and mineral extractions and agricultural operations.
- Sub-Clause No.67 To establish and carry on business as operators of energy efficient utilities starting from source management, procurement, storage and handling of different kinds of fuel, generation of power, steam, refrigeration and air-conditioning energies and utilisation of the same on BOT, BOOT and BOOM basis.
- Sub-Clause No.68 To establish and carry on business as processors, importers, exporters, whole sellers, retailers, merchants, traders, commission-agents, buying agents, selling agents, contractors of and dealers in all kinds of energy efficient equipment, systems, components and instrumentation and control systems for energy efficiency system used in industry, building complexes including hotels, hospitals, entertainment and recreation centres, transportation, mining and mineral extractions and agricultural operations."

15. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as a Special Resolution:  
"Resolved that pursuant to the provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded for commencing and undertaking all or any of the businesses specified in Sub-Clauses 61 to 68 of the "Other Objects" of the Memorandum of Association of the Company."

By Order of the Board



(V.P. AGARWAL)  
Executive Director &  
Secretary

New Delhi  
10th May, 2000