





LALA SHRI RAM
(1884-1963)



Board of Directors

Shri Mantosh Sondhi
Chairman Emeritus

Shri Ajay S. Shriram
Chairman & Senior Managing Director

Shri Vikram S. Shriram
Vice-Chairman & Managing Director

Shri Rajiv Sinha
Dy. Managing Director

Shri Ajit S. Shriram
Director (Sugar)

Dr. S.S. Baijal

Shri Arun Bharat Ram

Shri Harnam Dass Wahi

Shri Pradeep Dinodia

Shri O.V. Bundellu
IDBI Nominee

Shri S.L. Mohan
GIC Nominee

Shri S.N. Chaturvedi
UTI Nominee

Company Secretary

Shri V.P. Agarwal

Audit Committee

Dr. S.S. Baijal
Chairman

Shri Arun Bharat Ram

Shri Harnam Dass Wahi

Shri O.V. Bundellu
IDBI Nominee

Bankers

Punjab National Bank

Bank of Baroda

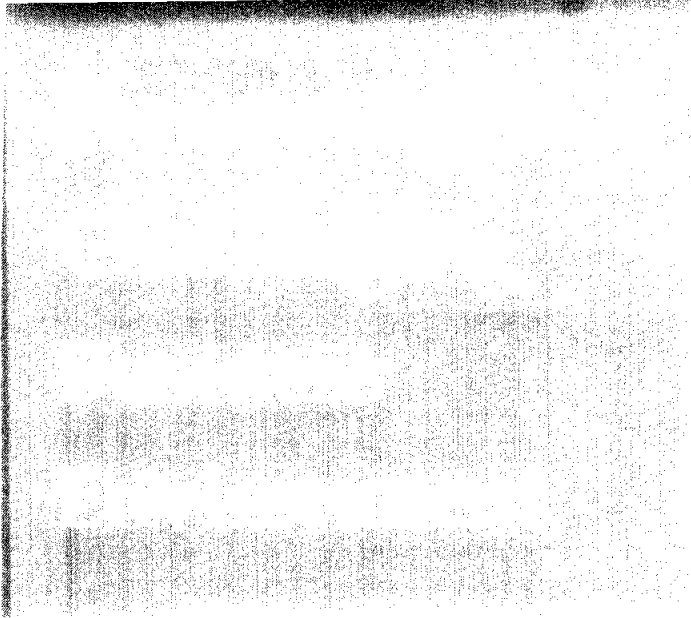
Oriental Bank of Commerce

Auditors

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

Registered Office

6th Floor, Kanchenjunga Building,
18, Barakhamba Road, New Delhi-110 001.
Tel.No. (91) 11-3316801
Fax No.(91) 11-3357803



Dear Friends,

The last year has been characterised by extremely demanding business conditions driven by a global recession and poor business sentiment. The manufacturing sector has been affected particularly hard all over the World and India. This has impacted the performance of your company as well during the year.

Prices of commodity products like PVC, Caustic Soda, Chlorine and Cement have been depressed through the year. Lack of domestic demand, global recession and lower import tariffs all contributed to this. However, the first quarter of the new year has seen improvement in the business sentiment and pick up in demand and prices.

The continuing uncertainty in the fertiliser retention pricing policy is a major area of concern for your company. Since your company is one of the lowest cost producers in its category, we have been able to withstand the pressure better. It is expected that the final policy

would be announced soon and we hope that the new policy would improve the prospects for the Industry.

The performance of the Sugar operations has been encouraging and we have achieved one of the highest recoveries and rate of growth in the state of UP. However, the industry is carrying high levels of inventory, which continues to depress the sugar prices. Your company is planning to grow this business on a continuous basis.

The company had identified Polymer compounding and down stream products as a growth area. To facilitate this, the Company has now spun off its PVC compounding business into a new company

"Shriram PolyTech Ltd." which has started independent operations during the year. We are aggressively looking at strategic alliances to grow the business and to provide comprehensive solutions to industries like Automobiles, Medical, Construction and Telecom etc.

Pursuing our philosophy of creating a world class organisation, continuous improvements are being made in the system and processes. Three new areas of HR, CRM and Business Information Warehousing (BIW) are close to final implementation under "my SAP.com". This would further strengthen the existing ERP SAP R/3 in the company and facilitate better information availability and decision making.

Your company strongly believes that its greatest asset is the quality and commitment of its people at all levels of the Organisation. Continuous efforts are made to further the skills of our people so that they can successfully take on newer challenges for growing the company and for their own professional enrichment. We are happy to state our people have responded very well to meet the changing and challenging business environment.

We look forward to a better performance in the coming years with an improvement in the business climate supported by our various strategies and initiatives.

With best wishes.



Your sincerely,



(VIKRAM S. SHRIRAM)
VICE CHAIRMAN &
MANAGING DIRECTOR



(AJAY S. SHRIRAM)
CHAIRMAN &
SENIOR MANAGING DIRECTOR

**REGISTERED OFFICE :**

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

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of DCM Shriram Consolidated Limited will be held on Tuesday, the 6th August, 2002 at 10.00 A.M. at 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, 2002 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 Rajiv Sinha, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Mantosh Sondhi, 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 M/s. A.F. Ferguson & Co., Chartered Accountants, as auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

7. 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 financial assistance from the respective Financial Institution(s)/Bank(s) as mentioned below:

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

- Oriental Bank of Commerce
- The Vysya Bank Ltd.

Financial Assistance

- Term loan of Rs. 500 lacs (out of its total term loan of Rs.2,000 lacs)
- Term loan of Rs. 1,000 lacs (out of its total term loan of Rs. 2,000 lacs)

As and by way of Third Charge

Enhanced working capital facilities of Rs.44,016 lacs (Rs.14,822 lacs for fund based and Rs.29,194 lacs for non-fund based) from the under mentioned banks:

	<u>Rs. in lacs</u>
— Punjab National Bank	26,430
— Oriental Bank of Commerce	8,438
— Bank of Baroda	9,148
Total	44,016

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 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 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."

Notice (Continued)

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 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 the business and concern and/or undertaking of the Company relating to the aforesaid unit in certain events of default for the purpose of securing the financial assistance from the respective Financial Institution(s)/ Bank(s) as mentioned below:

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

- Oriental Bank of Commerce
- The Vysya Bank Ltd.

Financial Assistance

- Term loan of Rs. 1,500 lacs (out of its total term loan of Rs.2,000 lacs)
- Term loan of Rs. 1,000 lacs (out of its total term loan of Rs. 2,000 lacs)

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 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 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."

By Order of the Board

(V.P. AGARWAL)
Company Secretary

New Delhi
13th May, 2002

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Notes

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. A Proxy Form is sent herewith.
3. The Share Transfer Books and the Register of Members of the Company will remain closed from 2nd August, 2002 to 6th August, 2002 (both days inclusive).
4. Members who are holding shares in identical names in more than one folio are requested to write to the Company enclosing their Share Certificate(s) to enable the Company to consolidate their holding in one folio.
5. Members are requested to notify immediately any change in their address to the Company quoting their folio numbers.
6. Members who have not yet returned their undivided DCM Limited's Share Certificate(s) to DCM Ltd. may do so promptly to enable the Company to forward the new certificate(s) to them.
7. In terms of Section 109A of the Companies Act, 1956, the Share/Debenture holder(s) of the Company may nominate a person on whom the Shares or Debentures held by him/them shall vest in the event of his/their death. Share/Debenture holder(s) desirous of availing this facility may submit nomination in Form 2B.

Notice (Continued)

8. In terms of Notification issued by the Securities and Exchange Board of India, Equity Shares of the Company are under compulsory demat trading by all investors with effect from 21st March, 2000. Shareholders are, therefore, advised to dematerialise their shareholding to avoid inconvenience in future.

9. Appointment/Re-appointment of Directors

At the ensuing Annual General Meeting, Shri Rajiv Sinha, Shri Mantosh Sondhi and Shri Arun Bharat Ram retire by rotation and being eligible offer themselves for re-appointment. The information in relation to the aforesaid Directors are as under:

- (a) Shri Rajiv Sinha, aged 52 years, has been a Director of the Company since 1.11.1998. He joined the Company in 1972 as a Management Trainee after graduating from IIT, Kanpur in Mechanical Engineering. He later attended the Stanford Executive Programme in USA.

He had extensive exposure to Commercial and Technical responsibilities across functions and businesses in the largest operations in the Company. At 36 years, he was heading the integrated operations of SFC / SCW at Kota. By 1991, he had moved to Delhi and became Executive Director of SFC / SCW in its entirety. In 1997, he became Senior Executive Director.

For about seven years, he has been in charge of the following businesses in their entirety: Fertilisers, Cement, Plastics, and Power with a turnover of over Rs.500 crores. During this period, operations and businesses have been rationalised, improved and put on a sound footing. With his team, he has built on the brand image of diverse products and created premium brands in the market.

He has extensive experience of implementing major projects from planning stage to commissioning and stabilisation of operations.

He has taken initiative to spearhead many organisational transformations in the Company - Business Re-engineering, Quality Movement, ISO 9000 and most recently, the successful implementation of a high level of IT through Project BEST (Business Excellence through SAP Technology). The degree of support and teamwork he has generated, has been crucial for the successful implementation and acceptance of these changes.

In addition to this, he is spearheading some of the new growth areas in our Company - Shriram PolyTech Ltd., dealing in speciality plastics, Shriram Bioseed Genetics Ltd., a Joint Venture in seeds with Bioseeds Genetics International.

He, in the course of his career, has displayed outstanding leadership abilities, business acumen, strategic perspective, and competitiveness. With his personal integrity, sense of responsibility, people skills and maturity, he commands respect and has established a reputation within and outside the organisation as a thorough professional.

Shri Rajiv Sinha is a Director and Member of the following Committee of the Board of other Companies:

Directorship

Member of Committee of the Board

— DCM Shriram Aqua Foods Ltd.

— DCM Shriram Aqua Foods Ltd. — Audit Committee

— Shriram Bioseed Genetics India Ltd., and

— Shriram PolyTech Ltd.

- (b) Shri Mantosh Sondhi, aged 79 years, has been a Director of the Company since 22.5.1990. He has a distinguished academic career, which include a number of fellowships and memberships of institutes in Europe and India. He held Chairmanship of Companies such as ABB Ltd., Ashok Leyland Ltd., Modi Rubber Ltd., and Wartsila India Ltd.

He was Secretary to the Government of India in the Ministries of Steel, Mines and Coal and Heavy Industry. Before his appointment as Secretary to the Government of India, he was Chairman and Chief Executive of Bokaro Steel Ltd. for four years.

Besides a recipient of "Padma Shri" in 1965, he had the distinction of being honoured with "Sir Walter Puckey Prize" in 1973. In 1995, he was decorated as "Commander of the Order of the Lion of Finland" by the President of Finland.

He is the Chairman of the Committee for Determining Remuneration payable to Managing/Whole Time Directors of the Company.

Notice (Continued)

Shri Mantosh Sondhi is a Director and Member of the following Committees of the Board of other Companies:

Directorship

- The Tata Iron & Steel Co. Ltd.
- Escorts Ltd.
- Honda Siel Power Products Ltd.
- Timken India Ltd.
- Turbo Energy Ltd.
- Brakes India Ltd.
- Dolphin Offshore Enterprises (India) Ltd., and
- Consindia Private Ltd.

Chairman of Committees of the Board:

- Tata Iron & Steel Co. Ltd. - Audit Committee
- Timken India Ltd. - Audit Committee
- Brakes India Ltd. - Audit Committee, and
- Honda Siel Power Products Ltd. - Shareholders'/ Investors' Relation Committee

Member of Committees of the Board:

- Tata Iron & Steel Co. Ltd - Remuneration Committee
- Brakes India Ltd. - Remuneration Committee
- Escorts Ltd. - Remuneration Committee and Investors' Grievance Committee, and
- Honda Siel Power Products Ltd. - Audit Committee

- (c) Shri Arun Bharat Ram, aged 61 years, has been a Director of the Company since 22.5.1990. He graduated in Industrial Engineering from the University of Michigan, USA.

He started his career in 1967 in Delhi with The Delhi Cloth & General Mills Co. Ltd., (now DCM Ltd.) and worked in the Textile Division of the Company.

In 1971, he became associated with SRF Ltd., a Company promoted by DCM Ltd., for setting up a new Nylon Tyre Cord Factory in Tamil Nadu. He was appointed Managing Director in 1975 and Vice Chairman in SRF Ltd. in 1988. This Company in subsequent years diversified into allied Nylon products and has multiple plants in and outside India. SRF is the 7th largest Nylon Tyre Cord manufacturer in the world. It became a major producer of refrigerant gases and fluorine chemical products and is the market leader in all its areas of operations.

He has been instrumental in building a highly professionalised Company with Market Leadership in its core businesses. In his businesses, he has strongly supported initiatives towards corporate governance, Total Quality Management and professionalisation of Management.

He has been on various Government - Industry Committees. He is the past President of Association of Synthetic Fibre Industry and is on the Managing Committee of Development Panel on Man-Made Fibre Industry. He has been the Chairman of Indo-Korea Joint Business Council. He was earlier Chairman of Northern Region of Confederation of Indian Industry (CII) and is immediate past President of the National Body of CII.

He belongs to a renowned family of Delhi, well known for its contribution in the field of education, art, culture and sports. He is deeply involved with educational institutions started by his family and the Company.

He is a member of the Board Audit Sub-Committee of the Company.

Shri Arun Bharat Ram is a Director and Member of the following Committees of the Board of other Companies:

Directorship

- SRF Ltd.
- SRF Chemicals Ltd.
- Emergent Industries & Technologies Ltd.
- Essilor SRF Optics Ltd.
- Samtel Color Ltd.
- Samcor Glass Ltd.
- SRF Overseas Ltd.
- SRF International (BVI) Ltd.
- SRF International (Emirates) Ltd.
- Fenner (India) Ltd.
- Bharat Ram Associates Pvt. Ltd., and
- Moser Baer India Ltd.

Members of Committees of the Board

- SRF Polymers Ltd. — Remuneration Committee, and
- SRF Ltd. — Shareholders/ Investors Grievance Committee

Chairman of Committee of the Board

- SRF Polymers Ltd. — Shareholders/ Investors Grievance Committee

Notice (Continued)

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM NO. 7

The Company has availed of financial assistance from Oriental Bank of Commerce and The Vysya Bank Ltd. as detailed in the Resolution. It has also availed the working capital facilities from Punjab National Bank, Oriental Bank of Commerce and Bank of Baroda. The terms and conditions for availing the said financial assistance, inter-alia, provide for creation of security by way of mortgage/charge on immovable properties and by way of hypothecation of movable assets of the Company situated at Shriram Fertilisers & Chemicals Complex at Kota (Rajasthan) in the manner desired by the lenders and agreed to by the Company. The creation of mortgage/charge requires approval of the Members under Section 293(1)(a) of the Companies Act, 1956.

None of the Directors is concerned or interested in the Resolution.

ITEM NO. 8

The Company has availed of financial assistance from Oriental Bank of Commerce and The Vysya Bank Ltd. as detailed in the Resolution. The terms and conditions for availing the said financial assistance, inter-alia, provide for creation of security by way of mortgage/charge on immovable properties and by way of hypothecation of movable assets of the Company situated at Shriram Alkali & Chemicals at Bharuch (Gujarat) in the manner desired by the lenders and agreed to by the Company. The creation of mortgage/charge requires approval of the Members under Section 293(1)(a) of the Companies Act, 1956.

None of the Directors is concerned or interested in the Resolution.

INTEREST

Except as indicated under the respective items, none of the Directors is interested or concerned in any of the aforesaid Resolutions.

