

A black and white photograph of a woman with long dark hair, wearing a patterned top, sitting at a wooden table. She is holding a cup of coffee and looking towards the camera. A laptop is open on the table in front of her. Large windows in the background show an outdoor area with trees.

ANNUAL REPORT 2022-23





DCM SHRIRAM

Growing with trust

**WE EARN
TRUST.
EVERYTHING
FOLLOWS.**

Growth is not the first reason for our existence. It is a by-product of trust. And that is what we at DCM Shriram have made the primary objective of our pursuit. Earned and nurtured over decades, it has become the bedrock of every business, every transaction and every interaction that we are partner to. It is an old-world value that has not just helped us emerge stronger in the past, but is constantly helping us prepare for the future. It is through winning trust of everyone we touch, that we have been able to diversify and succeed across verticals – manufacturing, agriculture, chemicals and consumer products. That we are poised to expand, grow and evolve, is also for the same reason. And even as we do, we know that what we are really growing in – and with – is trust.

DCM SHRIRAM LTD.

Agri-Rural Business | Chlor-Vinyl Business | Value Added Business

Shriram Fertilisers & Chemicals • Shriram Alkali & Chemicals • DCM Shriram Sugar • Bioseed
• Fenesta Building Systems • Shriram Cement • Shriram Polytech

www.dcmshriram.com

CONTENTS

02 Corporate Information

03 Chairman & Vice Chairman's Statement

05 Our Businesses

10 Financial Highlights

11 Our Vision & Values

12 Brief Profile of the Board of Directors of the Company

13 Senior Executive Team

14 Management Discussion and Analysis

23 Business Responsibility & Sustainability Report

53 Board's Report

69 Corporate Social Responsibility

84 Corporate Governance Report

96 Financial Statements

198 Notice



CORPORATE INFORMATION

Registered Office

DCM Shriram Ltd.
 CIN – L74899DL1989PLC034923
 2nd Floor (West Wing), Worldmark-1
 Aerocity, New Delhi-110037
 Tel. No. : (91) 11-42100200
 Email : response@dcmsriram.com
 Website : www.dcmsriram.com

Bankers

Punjab National Bank
 State Bank of India
 HDFC Bank Limited
 Standard Chartered Bank
 ICICI Bank Limited

Statutory Auditors

M/s Deloitte Haskins & Sells
 Chartered Accountants
 Gurugram (Haryana)

Board of Directors

Mr. Ajay S. Shriram
Chairman & Senior Managing Director

Mr. Vikram S. Shriram
Vice Chairman & Managing Director

Mr. Ajit S. Shriram
Joint Managing Director

Mr. K.K. Kaul
Whole Time Director

Mr. K.K. Sharma
Whole Time Director (EHS)

Mr. Pradeep Dinodia
Non-Executive Independent Director

Mr. Vimal Bhandari
Non-Executive Independent Director

Mr. Sunil Kant Munjal
Non-Executive Independent Director

Ms. Ramni Nirula
Non-Executive Independent Director

Mr. Pravesh Sharma
Non-Executive Independent Director

Justice (Retd.) Vikramajit Sen
Non-Executive Independent Director

Ms. Sarita Garg
Nominee Director (LIC)

Company Secretary

Mr. Sameet Gambhir

Board Audit Committee

Mr. Pradeep Dinodia
Chairman

Mr. Sunil Kant Munjal

Ms. Ramni Nirula

Mr. Pravesh Sharma

Stock Exchanges where the Securities of the Company are Listed

National Stock Exchange of India Ltd.

Exchange Plaza, C-1, Block-G,
 Bandra-Kurla Complex, Bandra (East),
 Mumbai-400051

BSE Ltd.

Phiroze Jeejeebhoy Towers,
 Dalal Street,
 Mumbai-400001

(It is confirmed that annual listing fee for the financial year 2023-24 has been paid by the Company to the above Stock Exchanges.)

CHAIRMAN AND VICE CHAIRMAN MESSAGE

The start of financial year 2022-23 was challenging, with continued uncertainties arising from the Russia – Ukraine conflict and lockdowns in China because of rise in Covid cases. The global uncertainties peaked in first half of the year and started correcting in the second half. We believe that the disruptions caused over last three years will take time to normalise. During the year, the Indian economy has remained remarkably resilient, despite global uncertainties on account of supply chain disruptions, elevated energy prices and slowing down in the global growth. Policy measures ensured that India was able to arrive at a fine balance between growth and inflation. The momentum in the economy remains strong, as reflected by robust GST collection, increase in commercial traffic, higher manufacturing PMI, etc. Inflation too has moderated and interest rates are likely to remain stable. Government's lead in undertaking Capital expenditure has had a multiplier effect and will support further investment by the private sector. A potential risk to domestic growth can be the possibility of El Nino, particularly for a company like ours, with significant linkage to the agriculture sector. High energy prices and global geopolitical uncertainties remain as impediments that businesses will need to live with.

In the current financial year, the company's overall financial performance was satisfactory, despite the challenges arising

from high energy prices, inflationary pressures and supply chain disruptions. The Company's consolidated revenue from operations (excluding excise duty) was Rs. 11547 crore vs Rs. 9627 crore last year. Chlor-alkali business registered a growth in revenue of about 27% driven by higher realizations in first nine months of the year and higher volumes. Vinyl business revenues were lower by 31% on account of decline in realisations from their all-time highs due to lower global demand and improvement in supply chain. Revenue for sugar business increased by 21% on account of higher domestic and export volumes and higher realisation in Sugar as well as Ethanol. Shriram Farm Solutions business registered a 9% growth in revenue, Fenesta business registered a growth of 32% led by Volumes and prices, Fertilizer business revenue grew by 50% led by higher gas prices which is a pass through, and revenue for Bioseed business grew by 19%, led by volumes.

Profit before depreciation, interest and tax at Rs. 1726 Crores, was lower by 9% as compared to last year. The decline was mainly on account of 84% decrease in PBDIT of Vinyl business due to decline in product prices from their historical highs and continued high energy cost. Chlor Alkali business PBDIT recorded an increase of 15%, as margins improved with higher average realizations in first three quarters. Sugar business recorded

a decline of 20% in PBDIT in the current year, as the increase in sugarcane cost was not fully compensated by increase in sugar prices. Sugar volumes & unit realization was better than last year. Agri-input business of Shriram Farm Solutions recorded a 37% growth in PBDIT led by better realization. Fenesta business also recorded a 70% growth in PBDIT, led by higher volumes and better margins. Fertiliser business recorded a 62% growth in PBDIT led by upward revision of energy norms and better gas prices. Bioseed PBDIT also improved. Cement businesses registered de-growth in PBDIT. The net impact of the above was that overall company PBDIT margin declined to 15% from about 20% last year.

The Company continues to make substantial capital investments across businesses for their long term growth. Projects worth Rs 591 Crs were commissioned during the year. Several new projects will go on stream at the Bharuch the complex in the financial year 2023-24. This includes a 850 TPD caustic soda plant, hydrogen Peroxide facility with a capacity of 56100 TPA, Epichlorohydrine (ECH) facility with a capacity of 52000 TPA and a 120 MW coal based new power plant plus 50 MW renewable power. Manufacture of Sulphate of Potash with a capacity of 4600 TPA will be added to the sugar business. Fenesta building systems will complete the expansion at Kota, and Shriram Farm Solutions will start manufacturing of Water Soluble Fertiliser and Bio products in Rajasthan.

The company has a strong focus on Sustainability. It achieved 93rd percentile position amongst Chemicals companies globally for its overall ESG performance in the 2022 S&P Global Corporate Sustainability Assessment. We will continue to grow our businesses with sustainability as one of the key pillars.

We are pleased to share the substantial progress we have made in our CSR initiatives. With a focus on Holistic Development and Water in Agriculture, we have strengthened our commitment to sustainable practices that positively impact communities. In the past year, we have conducted two impact assessments for our programs, and in the coming year periodic evaluations of all our projects will ensure their effectiveness and alignment with our organisational goals. Work in our focus areas of livelihood, healthcare, education and environment are being undertaken in a manner that its benefits are ongoing, rather than being restricted to a one time improvement.

We would like to take this opportunity to thank all our stakeholders – members of the board, business associates, employees, suppliers, government authorities, lenders and shareholders – who have contributed to the growth of our company. With their cooperation, we are confident of maintaining the growth momentum in the coming years.

With best wishes,



From L to R: Mr. Ajay S. Shriram and Mr. Vikram S. Shriram



(Vikram S. Shriram)
Vice Chairman & Managing Director



(Ajay S. Shriram)
Chairman & Sr. Managing Director

OUR BUSINESSES



CHLOR-VINYL BUSINESSES:

I. Chlor-Alkali:

DCM Shriram's **Chlor-Alkali (Chemicals) business** comprises Caustic Soda (Lye and flakes), Chlorine and associated chemicals including Hydrochloric acid, Stable Bleaching powder, Aluminium Chloride, Compressed Hydrogen and Sodium Hypochlorite.

The Company has two manufacturing facilities located at Kota (Rajasthan) and Bharuch

(Gujarat) with coal and biomass based captive power. The company's caustic soda capacity at Bharuch is 1345 TPD and at Kota is 524 TPD.

ii. **Vinyl Business:** A highly integrated business, located at the Kota plant, it involves manufacturing of PVC resins and Calcium Carbide with captive production of Acetylene, Chlorine and power. Company's Raw carbide capacity stands at 340 TPD and PVC capacity stands at 220 TPD.

SUGAR

This business comprises 4 plants in Central U.P. with a total capacity of 41,000 TCD. These units have a total power cogeneration capacity of 152 MW and are also supported by 560 KLD of Distillery capacity and a 3180 TPD refinery. The company has also a country liquor bottling line of 10200 cases per day.



AGRI-INPUT BUSINESSES:

3. Agri-Input Businesses:

- i. **Shriram Farm Solutions:** This business provides a complete basket of Agri-inputs (Research based as well as Generic) viz. Hybrid seeds, Specialty plant nutrition and Crop care chemicals through its wide distribution network. The business also provides high quality agronomy services aimed at increasing farmer productivity.
- ii. **Bioseed:** Bioseed business is present across the entire Seeds value chain, i.e. Research, Production, Processing, Extension activities and Marketing with established significant presence in India & Philippines. The Company is present in both Field and Vegetable Crops in India. In Philippines, the business is present primarily in Corn and Paddy.
- iii. **Fertilizer:** The Company operates the LNG based Urea plant with a capacity of 3.79 lakh MT, at its integrated manufacturing facility at Kota.



VALUE ADDED BUSINESSES

i. Fenesta Building Systems

manufactures windows and door systems under the brand “Fenesta”. Fenesta offers complete solutions in uPVC / aluminium windows and WPC/engineered wood doors starting from Design, Fabrication to Installation at the customer’s site. As a part of its marketing initiatives, the business has set up Fenesta branded showrooms in multiple cities across India.

5. Other Businesses

- i. **Cement:** The Company’s Cement business is located at its Kota plant with a manufacturing capacity of 4 lakh MT. The cement business leverages the waste generated from the Calcium Carbide production process to produce cement.
- ii. **PVC compounding:** This business through its 100% subsidiary (Shriram Polytech.

Ltd.) is located at its Kota manufacturing complex with a PVC compounding capacity of 32,564 MT / Annum.

- iii. **Hariyali Kisaan Bazaar:** The Company had discontinued the retail operations few years back except for sale of fuel, which is also in the process of being rationalized.

