

DCM SHRIRAM CONSOLIDATED LIMITED : NEW DELHI

Minutes of the Twenty Third Annual General Meeting of 14.8.2012

The Twenty Third Annual General Meeting of the Company was held on Tuesday, 14th August, 2012 at 10.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi.

The following Directors were present:

Shri Ajay S. Shriram	 Chairman & Sr. Managing Director
Shri Vikram S. Shriram	 Vice Chairman & Managing Director
Shri Rajiv Sinha	 Jt. Managing Director
Shri Ajit S. Shriram	 Dy. Managing Director
Dr. N.J. Singh	 Whole Time Director (EHS)
Dr. S.S. Bajjal	 Chairman, Board Audit Committee
Shri Pradeep Dinodia	 Director
Shri Vimal Bhandari	 Director
Shri Sunil Kant Munjal	 Director
Shri Rajesh Kandwal	 Director

6853 Shareholders were present in person and 167 were represented by proxies.

The Chairman welcomed the shareholders to the meeting and after ascertaining the requisite quorum being present, he called the meeting to order.

The Company Secretary read the Notice of the meeting.

The Chairman stated that the Company had received 189 valid authorizations/proxies representing 10,42,12,261 Equity Shares of Rs.2/- each, which constituted 62.82% of the total voting power. Out of these 22 authorisations/proxies representing 10,32,71,112 Equity Shares of Rs.2/- each, which constituted 62.25% of the total voting power, were in favour of the Management. He added that relevant registers and other documents were available for inspection by the Shareholders.

The Chairman then read his statement, the text of which is annexed (Annexure-I).

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1. Shri D. D. Sardana proposed and Shri Sanjay Kathpal seconded that the following Resolution be passed as an Ordinary Resolution:

"Resolved that the Directors' Report, the audited Balance Sheet of the Company as at 31.3.2012 and the Profit & Loss account for the year ended on that date be and are hereby approved and adopted."

The Company Secretary read the Auditors' Report.

The shareholders who spoke included Shri D.D. Sardana, Shri Yashpal Chopra, Shri Bhupinder Singh, Shri P.P. Goyal and Shri M.P. Bhutani.

The following points were made by the shareholders present in the meeting :

1. The shareholders complimented the Management for excellent arrangements made for the Annual General Meeting inside and outside the auditorium.

2. In view of huge reserves & surplus in the Company, the Company should consider issue of Bonus Shares.
3. The shareholders complimented the Board of Directors for continuous payment of dividend to the shareholders despite losses, which clearly shows its intention towards shareholders. However, they also desired that the Company should increase the rate of dividend to the shareholders.
4. The Company should arrange for visit of the shareholders to its Plants.
5. The Company should plan its AGM in the month of June/July.
6. The shareholders complimented the management being caring for them.
7. The Company should make arrangements of Audio/Visual presentation of its business operations.
8. Since the Company is not making profits as expected, its focus should be on the areas which may generate further profits.
9. The Company should take more steps in the area of Corporate Social Responsibility.

The Chairman then responded to the queries of the shareholders, inter-alia, as follows:

1. The Chairman thanked the Shareholders for their complimentary observations and said that the credit goes to the Board, Management Team and Employees at all levels.
2. The Board of Directors will consider next bonus issue at an appropriate time.
3. The Board of Directors will consider increase in the rate of dividend in future, keeping in view the balanced utilization of funds.
4. The Board of Directors will consider holding the AGM in the month of June/July in future.
5. The Company will consider the suggestions of making arrangements of Audio/Visual presentation of its business operations in future.
6. Profits are under pressure due to various economical and political reasons and the Company has been working to improve its profitability.
7. The Company has been dedicatedly working towards the welfare of the society and has taken various initiatives in the field of education, healthcare, sports, etc.

The resolution, on being put to vote, was passed unanimously.

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2. Shri Yashpal Chopra proposed and Shri R.K. Agarwal seconded that the following Resolution be passed as an Ordinary Resolution:

"Resolved that dividend @20% on Equity Shares of Rs.2/- each (Re.0.40 per share) for the year ended 31.3.2012 as recommended by the Board of Directors be and is hereby declared.

The resolution, on being put to vote, was passed unanimously.

3. Shri R.K. Agarwal proposed and Shri Sanjay Kathpal seconded that the following Resolution be passed as an Ordinary Resolution:

"Resolved that Shri Vimal Bhandari, retiring Director, be and is hereby re-appointed a Director."

The resolution, on being put to vote, was passed unanimously.

4. Shri M.P. Bhutani proposed and Shri Yashpal Chopra seconded that the following Resolution be passed as an Ordinary Resolution:

"Resolved that Shri Sunil Kant Munjal, retiring Director, be and is hereby re-appointed a Director."

The resolution, on being put to vote, was passed unanimously.

5. Shri N.C. Chopra proposed and Shri D. D. Sardana seconded that the following Resolution be passed as an Ordinary Resolution:

"Resolved that Shri D. Sengupta, retiring Director, be and is hereby re-appointed a Director."

The resolution, on being put to vote, was passed unanimously.

6. Shri Rajender Grover proposed and Shri Yashpal Chopra seconded that the following Resolution be passed as an Ordinary Resolution:

"Resolved that M/s. Deloitte Haskins & Sells, Chartered Accountants, (Regn. No.015125N) be and are hereby re-appointed as Statutory 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 on such remuneration as may be fixed by the Board of Directors plus reimbursement of actual traveling and out of pocket expenses incurred by them for the purpose of audit."

The resolution, on being put to vote, was passed unanimously.

7. Shri Gurcharan Singh proposed and Shri M.P. Bhutani seconded that the following Resolution be passed as a Special Resolution:

"Resolved that subject to such consents and permissions, as may be necessary, approval of the Company be and is hereby accorded in terms of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, and the Schedule(s) thereto, including any statutory modification or re-enactment thereof, to the re-appointment of Dr. N.J. Singh as Whole Time Director – Environment, Health & Safety (EHS) on the terms and conditions as set out hereunder:

Terms & Conditions of re-appointment

1. Tenure

Five years w.e.f. 20.11.2012

2. Remuneration

(a) Salary

Rs.1.84 lacs per month in the range of Rs.1.75 lacs to Rs.3.0 lacs.

(b) Perquisites

Perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost to the Company in other cases) including benefit of the Company's furnished accommodation or house rent in lieu thereof, gas, electricity, water and furnishings, club fees, personal accident insurance, use of car and telephone at residence, medical reimbursement, leave and leave travel concession, education benefits, provident fund, superannuation fund and gratuity in accordance with the scheme(s) and rule(s) applicable to the members of the staff from time to time, for the aforesaid benefits.

(c) Commission on net profits

Such amount as may be decided by the Board of Directors or a Committee thereof from year to year provided that the total remuneration including salary and perquisites along with commission paid to all the Managing/Whole-time Directors of the Company shall not exceed the limit laid down under Sections 198 and 309 of the Companies Act, 1956.

(d) Remuneration for a part of the Year

Remuneration for a part of the year shall be computed on pro-rata basis.

(e) Minimum Remuneration

In the event of absence or inadequacy of profits in any financial year, the aforementioned remuneration excluding commission shall be paid to Whole Time Director (EHS) as the minimum remuneration, subject to the approval of the Central Government, if necessary.

3. Functions

Dr. N.J. Singh shall discharge such duties and functions as may be assigned to him by Chairman & Senior Managing Director and Vice Chairman & Managing Director from time to time.

4. Sitting Fee

If permissible by law, he shall be entitled to sitting fee in addition to the components of remuneration mentioned above for attending meeting(s) of the Board of Directors or Committees thereof.

5. Termination

The appointment of Dr. N.J. Singh as Whole Time Director (EHS) may be terminated by either party giving to the other six calendar months notice in writing.

Resolved further that the Board of Directors or a Committee thereof be and is hereby authorised to vary or modify any of the above terms & conditions including alter, vary or increase the salary, grade and other remuneration, notwithstanding the overall remuneration set out as above or as may be prescribed/permissible without requiring any further resolution or consent of or reference to the Members and to take all necessary steps, actions, which are incidental and consequential to give effect to the above Resolution."

The resolution, on being put to vote, was passed unanimously.

At this point, Shri Ajay S. Shriram, Chairman & Sr. Managing Director, vacated the chair and Dr. S.S. Bajjal took the Chair.

8. Shri Yashpal Chopra proposed and Shri Bhupinder Singh seconded that the following Resolution be passed as a Special Resolution:

"Resolved that pursuant to the provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby consents, subject to the approval of the Central Government, for the revision of remuneration of Shri Aditya A. Shriram, Vice President w.e.f. 1.4.2012, a relative of Chairman and Senior Managing Director of the Company, in the salary scale of Rs.1.75 lacs to Rs.3.75 lacs p.m. with perks/facilities/incentives and retiral benefits as applicable to officers in his cadre with authority to the Board of Directors or a Committee thereof to review and revise his remuneration, so as not to exceed Rs.7.50 lacs p.m., and in due course to promote him to a higher grade/grades as it may consider suitable without requiring any further resolution or consent of or reference to the Members.

Resolved further that the remuneration payable to Shri Aditya A. Shriram as aforesaid will be subject to such modification(s) as the Central Government may stipulate which the Board of Directors or a Committee thereof be and is hereby authorized to accept.

Resolved further that the Board of Directors or a Committee thereof, be and is hereby authorised to take all necessary steps and actions, which are incidental and consequential to give effect to the above Resolution."

The resolution, on being put to vote, was passed unanimously.

9. Shri Sanjay Kathpal proposed and Shri D.D. Sardana seconded that the following Resolution be passed as a Special Resolution:

"Resolved that pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 and Rules made thereunder (including any Statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby consents to increase the remuneration upto Rs.2.5 lacs p.m. w.e.f. 1.4.2012 of Shri Anand A. Shriram, Officer on Special Duty, a relative of Chairman and Senior Managing Director of the Company.

Resolved further that the Board of Directors or a Committee thereof, be and is hereby authorised to take all necessary steps and actions, which are incidental and consequential to give effect to the above Resolution."

The resolution, on being put to vote, was passed unanimously.

At this point, Dr. S.S. Baijal vacated the chair and Shri Ajay S. Shriram, Chairman & Sr. Managing Director resumed the Chair.

10. Shri Yashpal Chopra proposed and Shri D.D. Sardana seconded that the following Resolution be passed as an Ordinary Resolution:

"Resolved that pursuant to Section 293(1)(a) and 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 hypothecate, mortgage and/or

charge all or any of the present and future movable and immovable properties of the Company, situated at DSCL Sugar-Ajbapur, District Lakhimpur Kheri (U.P.) and DSCL Sugar-Loni, District Hardoi (U.P.) 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 in favour of the lender(s) to take over the management of the business and concern and/or undertaking of the Company relating to the aforesaid units, mortgaged/charged to them in certain events of default for the purpose of securing the financial assistance from Standard Chartered Bank, U.K. for Rs.100 crores (Equivalent to USD 20 million – USD 15 million on Ajbapur properties & USD 5 million on Loni properties) as first pari-passu charge on the moveable or immovable properties of the said units together with interest, compound interest, additional interest, further interest, liquidated damages, commitment charges, premia on prepayment or on redemption, guarantee commission, remuneration payable to trustees, costs, charges, expenses and all other monies including any increase/decrease as a result of devaluation/revaluation/fluctuation in the rates of exchange of foreign currency under their letter(s) of sanction(s)/memorandum(s) of terms and conditions, loan agreement(s) as amended from time to time involved/payable by the Company and that such mortgage(s)/charge(s), shall rank as indicated in the resolution/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 a Committee thereof be and are hereby ratified and confirmed.

Resolved further that the Board of Directors or a 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 difficulty which may arise in relation thereto, or otherwise considered by the Board of Directors to be in the best interest of the Company."

The resolution, on being put to vote, was passed unanimously.

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11. Shri Rajender Grover proposed and Shri Yashpal Chopra seconded that the following Resolution be passed as a Special Resolution:

"Resolved that pursuant to the applicable provisions of the Companies Act, 1956 and subject to the approval of Central Government, if required, the Company hereby approves the following modification in the Clause 2 (b) titled "Perquisites" of the "Terms & Conditions of re-appointment" of Shri Rajiv Sinha contained in the resolution as approved by the Members in the Annual General Meeting held on 19.8.2008 and the same be and is hereby substituted to read as below:

“(b) Perquisites

Perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost to the Company in other cases) like the benefit of the

Company's furnished accommodation or house rent in lieu thereof, gas, electricity, water and furnishings, club fees, personal accident insurance, use of Company's car and telephone at residence, medical reimbursement, leave and leave travel concession, education benefits and any other benefits provided to the employee(s) of the Company from time to time, including but not limited to entitlements on account of any subsisting or future long term incentive plans, provident fund, superannuation fund and gratuity in accordance with the scheme(s) and rule(s) applicable to the members of the staff of the Company from time to time, in respect of any of such benefits."

Resolved further that all other Terms & Conditions of the re-appointment of Shri Rajiv Sinha shall remain unchanged.

Resolved further that the Board of Directors or any Committee thereof be and is hereby authorized to take all such steps as are incidental or consequential thereto to give effect to the above Resolution."

The resolution, on being put to vote, was passed unanimously.

With a vote of thanks to the Chair, the meeting came to an end.

DCM SHRIRAM CONSOLIDATED LTD.**Chairman's Speech at the Annual General Meeting****14th August 2012, New Delhi****Ladies and Gentlemen,**

I have great pleasure in welcoming you to the 23rd Annual General Meeting of your Company.

I am happy to report overall satisfactory performance of your Company particularly in the last two consecutive quarters, after a challenging FY11 and first nine months of FY12. The Company faced several challenges with steep increase in raw material costs such as coal, cane etc., un-remunerative product prices particularly that of Sugar, high interest costs and uncertain/unfavorable policy environment. Your Company undertook several initiatives to mitigate at least partially, the effect of these unfavourable developments. These include optimization of fuel/energy mix, intensive cane development, improving operating efficiencies, tightening working capital cycles and conserving cash. With these efforts, your Company was able to record PBT (before exceptional item) of Rs. 48 crores in FY12 as compared to a loss of Rs.32 crores in FY11. After the exceptional item relating to differential cane price for Sugar season 2007-08, the Net profit stood at Rs.12 crores as compared to Net loss of Rs.14 crores in the previous period.

The business wise performance and financials are detailed in the annual report which is already with you.

The improvement in performance has continued in Q1 FY13 with revenues growing by 16% at Rs.1427 crores and Net Profit up by 19% at Rs.31crores after accounting for an exceptional charge of Rs.56 crores.

Macro Environment

As you are all aware, the global economy continues to be in a state of turmoil, both financial and political. It is no longer restricted to a category/group of countries. Almost everyone is facing hardship as a consequence of this situation. The global leadership is struggling to arrive at a solution to overcome this situation.

The Indian situation is even more difficult as it is facing its own domestic challenges besides the global ones. There is a lack of clarity on policy framework in almost every area. In fact, different arms of the Government seem to be working at cross purposes, which compounds the problem. The business sentiment, therefore, is very low which is reflected in very low investments levels in almost all sectors, contributing to supply constraints and high inflation. The Policy uncertainty and high inflation is adversely affecting availability as well as cost of capital, which further hampers the profitability and investments for the Corporate sector.

Besides these macro challenges, each sector of our business is facing its sector related challenges which is making the overall situation tough. Your Company is fully aware of these challenges and is taking required action to tackle them in the most appropriate manner.

Agri Input Businesses

The Agri-Input businesses comprising Bioseed, Farm Solutions and Urea (Fertilizers) are an important sector for the Company and represent an extensive and deeper engagement with the agriculture sector. The Company is focused on working with farmers to increase their incomes, by adopting the most appropriate farming solutions.

The Company is continuously strengthening its own research and development efforts, building alliances with leading technology developers and setting up product testing facilities to develop superior products and solutions. It is also establishing deeper contact with the farmers and a strong trade network to make the farmers adopt these products and solutions.

Bioseed and Farm Solutions are registering healthy growth over the last few years. The Monsoon situation has affected the growth rates in the current year. However, we expect these businesses to continue to achieve high growth over the medium term as we expand our product portfolio and geographical reach. Weather uncertainties may affect the growth rate, but overall outlook is satisfactory for this sector.

Urea business, though achieving continuous improvements in operating efficiencies, is constrained due to very tight Government control and no clarity on future policy framework. We hope the Government finalizes its policy framework for this key industry at the earliest.

Sugar

The Sugar industry is one of the most controlled industry in the country. To further add to the problem, there are multiple agencies which control different aspects of the industry with very little co-ordination.

The industry has been facing negative margins even in free market sale for last few years. Further, it subsidizes the government by providing levy sugar to the Government for sale under public distribution system.

Your Company is focusing on increasing Sugarcane availability through intensive cane development programs. Power generation is also being maximized and better operating efficiencies are being targeted. The industry is also pursuing with the Government for a more rational policy framework to enable a stronger sugar industry.

Hariyali Kisaan Bazaar

This business has continued to witness losses. The Company has taken several steps in the last 12-18 months involving restructuring and rationalizing Hariyali's operations to restrict its activities to profitable product lines only. We believe, with the completion of this restructuring and rationalizing plan, we expect substantial reduction in losses of this business by Q4 FY13. This will contribute significantly in improving the overall financials of the Company. The restructuring and rationalization of the business will involve one time costs which have been provided in results of FY12 and Q1FY13.

Chloro-Vinyl Business

The Chloro-Vinyl business recorded better performance as the production of Chloro-Vinyl products stabilized fully after we switched over from sale of Power to sale of products in second half of FY11. The business experienced sharp increases in costs, particularly that of Coal and Carbon materials. The Company has successfully implemented several initiatives to mitigate the effect of these increases partly. Higher production, improvement in product prices and better operating efficiencies are contributing to better financial results in this business.

Cement

The Company's "Shriram" brand of cement continues to command a premium in the market. The performance of this business was stable during the year, despite significant increase in input costs as the company took several steps to mitigate this impact. This business was also helped by improved volumes and realizations.

Fenesta Windows and Doors

Fenesta business operates broadly in two segments, i.e. Institutional and Retail. The Company was concentrating on institutional segment earlier. From the last financial year, the Company focused on increasing its retail segment in a big way. The steps taken include launch of new products/product extensions, expansion in distribution network and geographical reach which has now reached 72 cities and over 172 dealers across India, substantial up-gradation of customer services and promotional efforts. The focus on retail segment has enabled us to mitigate the continuing slack in the institutional segment and record overall growth in this business. We are continuing to further enhance the retail business in the coming years.

Human Resources and Industrial Relations

Your Company believes that the success of a company is, to a large extent, influenced by the level of engagement of its employees and their capability. The Company is focused on driving various capability building programs to upgrade the overall skills and competencies of employees across all levels, and also on a variety of engagement building initiatives across various HR processes and systems. The Company continues to maintain cordial and harmonious industrial and employee relations across all its business units. The Company shares with its employees a relationship of transparency and mutual trust and faith.

Community Welfare

Your Company since inception has believed in the need to contribute to the community and be a good corporate citizen. The Company has taken several initiatives to maintain ecological balance such as setting up green belts at its manufacturing locations, creating infrastructure so as to effectively manage disposal of industrial waste, along with other social initiatives such as financing scholarship programs for students to pursue higher education, create awareness of various diseases including AIDS etc., sponsoring mid day meals for students, promoting tennis in the country through the DSCL Tennis tournament etc.

Conclusion and Acknowledgment

We expect healthy growth rates to continue in the medium term in our Bioseed and Farm solutions businesses given our strong R&D program, pipeline of products and increasing geographical presence.

We expect sharp reduction in losses in Hariyali business by Q4 FY13 through restructuring and rationalization plan which is under implementation. This will help in improving overall group financials. We expect satisfactory operating performance in Chloro-Vinyl and Sugar businesses. The financial results may vary based on movement in product prices.

I would like to take this opportunity to thank the Directors on our Board for their constant guidance and contribution. On behalf of the Board, I extend our sincere gratitude to all our employees for their dedication and commitment towards the organization. I would like to thank all our Customers, Suppliers, Government Authorities, Financial Institutions, Bankers, Auditors, Dealers and all other business associates, for their continued trust in us.

Finally and equally importantly, I would like to place on record our appreciation to our shareholders, who have supported our business initiatives at all times.

Thank you.