

*75th*  
*Annual Report*  
*2023 - 2024*



**performance**  
**Innovation**  
**Diversity**  
**Growth**





## DCW LIMITED

Registered office: Dhrangadhra – 363 315, Gujarat  
Head Office: Nirmal, 3rd floor, Nariman Point, Mumbai 400 021.  
Tel . No. 22871914,22871916, 22020743, Fax: 22 2202 8838 Website:www.dcwlimited.com  
CIN No.L24110GJ1939PLC000748 Email: ho @dcwlimited.com

### SEVENTY FIFTH ANNUAL GENERAL MEETING 2013-2014

#### NOTICE

Notice is hereby given that the 75<sup>th</sup> Annual General Meeting of the shareholders of DCW Limited (Company) will be held at 10.00 a.m. on Wednesday, August 13, 2014 at the Registered Office of the Company (at Guest House No. 2) at Dhrangadhra-363315, Gujarat to transact the following business:

#### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement for the year ended March 31, 2014 and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on Equity shares of the Company.
3. To appoint a Director in place of Shri Bakul Jain(DIN No.00380256),, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration and in this connection, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

“RESOLVED THAT M/s. V. SankarAiyar & Co., Chartered Accountants, Mumbai, the retiring Auditors of the Company, be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting, on a remuneration of Rs. 12,50,000/- (Rupees Twelve Lakhs Fifty Thousand only) plus

reimbursement of traveling and other out-of-pocket expenses; such remuneration to be exclusive of fees payable for services that may be rendered by them other than as Auditors in compliance with Sections 139 and 144 and other applicable provisions of the Companies Act, 2013.”

#### SPECIAL BUSINESS

5. **Appointment of Shri. Sodhsal Singh Dev of Dhrangadhra, (DIN no.:00682550) as an Independent Director of the Company**

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

“RESOLVED THAT, pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 and Schedule IV (Code of Independent Director) and all other applicable provisions of the Companies Act, 2013 and any statutory modifications or re-enactments thereof for the time being in force and Clause 49 of the Listing agreement, Shri. Sodhsal Singh Dev of Dhrangadhra (DIN no.:00682550) , who was appointed as a director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the

Company has received a notice from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri. Sodhsal Singh Dev of Dhrangadhra as a candidate for the office of Director of the Company be and is hereby appointed as an Independent Director of the Company for a term of 5 (five) consecutive years up to conclusion of 80th Annual General Meeting in the Calendar year 2019”.

6. **Appointment of Smt Sujata Rangenekar (DINno.:06425371) as an Independent Director of the Company**

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

“RESOLVED THAT, pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 Schedule IV( Code of Independent Director) and all other applicable provisions of the Companies Act, 2013 and any statutory modifications or re-enactments thereof for the time being in force and clause 49 of the Listing agreement., Smt. Sujata Rangenekar(DIN no.:06425371), who was appointed as a director liable to retire by rotation and in respect of whom the Company has received a notice from a member under Section 160



of the Companies Act, 2013 signifying his intention to propose Smt. Sujata Rangenekar(DIN no.:06425371) as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of 5 (five) consecutive years up to conclusion of 80th Annual General Meeting in the Calender year 2019”

7. **Appointment of Shri. Shri. D. Ganapathy(DIN no.:02707898) as an Independent Director of the Company**

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

“**RESOLVED THAT**, pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 Schedule IV( Code of Independent Director) and all other applicable provisions of the Companies Act, 2013 and any statutory modifications or re-enactments thereof for the time being in force and clause 49 of the Listing agreement, Shri. D. Ganapathy(DIN no.:02707898), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri. D. Ganapathy(DIN no.:02707898) as a candidate for the office of director of the Company be and is hereby appointed as an Independent Director of the Company for a term of

5 (five) consecutive years up to conclusion of 80th Annual General Meeting in the Calender year 2019” .

8. **Appointment of Shri. Salil Kapoor(DIN no.:02256540) as an Independent Director of the Company**

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

“**RESOLVED THAT**, pursuant to the provisions of Sections 149, 150, 152 and 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 Schedule IV( Code of Independent Director) and all other applicable provisions of the Companies Act, 2013 and any statutory modifications or re-enactments thereof for the time being in force, and clause 49 of the Listing agreement, Shri. Salil Kapoor(DIN no.:02256540), who was appointed by the Board of Directors as an Additional Director of the Company and who holds office up to the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri. Salil Kapoor(DIN no.:02256540) as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of 5 (five) consecutive years up to conclusion of 80th Annual General Meeting in the Calender year 2019”

9. **Appointment of Shri. Vivek Jain(DIN no.: 00502027) as Director of the Company**

To consider and, if thought

fit, to pass, with or without modification(s), the following as a **Special Resolution**:

“**RESOLVED THAT**, pursuant to the provisions of Sections 149, 152 and 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 and all other applicable provisions of the Companies Act, 2013 and any statutory modifications or re-enactments thereof for the time being in force and clause 49 of the Listing Agreement; Shri. Vivek Jain(DIN no.: 00502027), who was appointed by the Board of Directors as an Additional Director of the Company and who holds office up to the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 and who has issued a notice to the Company under Section 160 of the Companies Act, 2013 signifying his candidature as a Director of the Company at this Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

10. **Appointment of Shri. Saatvik Jain as President of the Company**

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

“**RESOLVED THAT**, pursuant to the provisions of Section 188 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Rules prescribed thereunder and any statutory modifications thereof for the time being in force, approval of the shareholders of the Company be and is hereby accorded to the appointment of Shri. Saatvik Jain, as President of the Company for a period of 5 years with effect from 1<sup>st</sup> March 2014 and for payment of salary



of Rs. 7,50,000/- per month in the grade Rs. 7,50,000/- – Rs. 50,000/- – Rs. 10,00,000 to Shri. Saatvik Jain as President of the Company along with following perquisites:

- (a) Leave travel allowance: Rs. 30,000/- per annum;
- (b) Reimbursement of medical expenses: Rs. 45,000/- per annum;
- (c) House rent allowance: Rs. 25,000/- per annum;
- (d) Free use of Company's car with chauffeur for Company's work and personal use, with all costs in respect thereof for petrol, maintenance, insurance, etc. being met by the Company;
- (e) Bonus, provident fund, superannuation and gratuity as *per* the Rules of the Company; and
- (f) Leave/encashment of leave as *per* the Rules of the Company."

11. **Appointment of Shri. Ashish Jain as Sr. President of the Company**

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

**"RESOLVED THAT**, in supersession of all previous resolutions passed by the shareholders of the Company in this regard and pursuant to the provisions of Section 188 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Rules prescribed thereunder and any statutory modifications thereof for the time being in force, approval of the shareholders of the Company be and is hereby accorded to the appointment of Shri. Ashish Jain, as Sr. President of the Company for a period of

5 years with effect from 1<sup>st</sup> April 2014 and for the payment of salary of Rs. 7,50,000 *per* month in the grade of Rs. 7,50,000/- – Rs. 50,000/- – Rs. 10,00,000/- to Shri. Ashish Jain as Sr. President of the Company along with following perquisites:

- (a) Leave travel allowance: Rs. 30,000/- per annum;
- (b) Reimbursement of medical expenses: Rs. 45,000/- per annum;
- (c) House rent allowance: Rs. 25,000/- per annum;
- (d) Free use of Company's car with chauffeur for Company's work and personal use, with all costs in respect thereof for petrol, maintenance, insurance, etc. being met by the Company;
- (e) Bonus, provident fund, superannuation and gratuity as *per* the Rules of the Company; and
- (f) Leave/encashment of leave as *per* the Rules of the Company."

12. **Appointment of Smt. Paulomi Jain as President of the Company**

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

**"RESOLVED THAT**, in supersession of all previous resolutions passed by the shareholders of the Company in this regard and pursuant to the provisions of Section 188 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Rules prescribed there under and any statutory modifications thereof for the time being in force, approval of the shareholders of the Company be and is hereby accorded to the appointment of

Smt. Paulomi Jain, as President of the Company for a period of 5 years with effect from 1<sup>st</sup> April 2014 and for payment of salary of Rs. 7,50,000/- *per* month in the grade of Rs. 7,50,000/- – Rs. 50,000/- – Rs. 10,00,000/- to Smt. Paulomi Jain as President of the Company along with following perquisites:

- (a) Leave travel allowance: Rs. 30,000 *per* annum;
- (b) Reimbursement of medical expenses: Rs. 45,000 *per* annum;
- (c) House rent allowance: Rs. 25,000 *per* annum;
- (d) Free use of Company's car with chauffeur for Company's work and personal use, with all costs in respect thereof for petrol, maintenance, insurance, etc. being met by the Company;
- (e) Bonus, provident fund, superannuation and gratuity as *per* the Rules of the Company; and
- (f) Leave/encashment of leave as *per* the Rules of the Company."

13. **Appointment of Smt. Malti Bhindi as President of the Company**

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

**"RESOLVED THAT**, in supersession of all previous resolutions passed by the shareholders of the Company in this regard and pursuant to the provisions of Section 188 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Rules prescribed thereunder and any statutory modifications thereof for the time being in force,



approval of the shareholders of the Company be and is hereby accorded to the appointment of Smt. Malti Bhindi, as President of the Company for a period of 5 years with effect from 1<sup>st</sup> April 2014 and for the payment of salary of Rs. 7,50,000/- per month in the grade of Rs. 7,50,000/- – Rs. 50,000/- – Rs. 10,00,000/-, to Smt. Malti Bhindi as President of the Company along with following perquisites:

- (a) Leave travel allowance: Rs. 30,000/- per annum;
- (b) Reimbursement of medical expenses: Rs. 45,000/- per annum;
- (c) House rent allowance: Rs. 25,000/- per annum;
- (d) Free use of Company's car with chauffeur for Company's work and personal use, with all costs in respect thereof for petrol, maintenance, insurance, etc. being met by the Company;
- (e) Bonus, provident fund, superannuation and gratuity as per the Rules of the Company; and
- (f) Leave/encashment of leave as *per* the Rules of the Company."

14. **Appointment of Shri. Vivek Jain(DIN no.:00502027) as Managing Director of the Company**

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

**"RESOLVED THAT**, pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 all other applicable provisions

of the Companies Act, 2013 and the Companies ( Appointment and Remuneration of Managerial Personnel)Rules, 2014 including any statutory modifications or reenactment thereof for the time being in force, approval of the shareholders of the Company be and is hereby accorded to the appointment of Shri. Vivek Jain(DIN no.:00502027), as Managing Director of the Company for a period of 3 years with effect from 1st March 2014 with such salary, perquisites and commission as is set out in the Explanatory Statement annexed to the notice of this Annual General Meeting and on such other terms and conditions as are set out in the draft agreement between Shri. Vivek Jain(DIN no.:00502027) and the Company submitted to this meeting and initialed by the Chairman for the purpose of identification, which agreement is hereby approved by the shareholders of the Company with liberty to the Board of Directors to alter the terms and conditions of the said agreement in such manner as may be agreed to between the Company and Shri. Vivek Jain(DIN no.:00502027), subject to such alterations being made in accordance with the provision of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** if in any financial year during the tenure of Shri. Vivek Jain(DIN no.:00502027) as Managing Director, the Company has no profits, or its profits are inadequate, Shri. Vivek Jain shall be entitled to receive and be paid remuneration, including salary, perquisites and other allowances, not exceeding Rs. 10,00,000/- per month in such financial year, or such

other remuneration within the applicable limits prescribed by the Central Government from time to time in this regard."

15. **Appointment of Shri. Mudit Jain(DIN no.:00647298) as Managing Director of the Company**

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

**"RESOLVED THAT**, pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and Companies ( Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modifications and reenactment thereof for the time being in force; approval of the shareholders of the Company be and is hereby accorded to the appointment of Shri. Mudit Jain(DIN no.:00647298), as Managing Director of the Company for a period of 3 years with effect from 1st March 2014 with such salary, perquisites and commission as is set out in the Explanatory Statement annexed to the notice of this Annual General Meeting and on such other terms and conditions as are set out in the draft agreement between Shri. Mudit Jain(DIN no.:00647298) and the Company submitted to this meeting and initialed by the Chairman for the purpose of identification, which agreement is hereby approved by the shareholders of the Company with liberty to the Board of Directors to alter the terms and conditions of the said agreement in such manner as may be



agreed to between the Company and Shri. Mudit Jain(DIN no.:00647298), subject to such alterations being made in accordance with the provisions of the Companies Act, 2013.”

“RESOLVED FURTHER THAT if in any financial year during the tenure of Shri. Mudit Jain(DIN no.:00647298) as Managing Director, the Company has no profits, or its profits are inadequate, Shri. Mudit Jain(DIN no.:00647298) shall be entitled to receive and be paid remuneration, including salary, perquisites and other allowances, not exceeding Rs. 10,00,000/- per month in such financial year, or such other remuneration within the applicable limits prescribed by the Central Government from time to time in this regard.”

16. **Increase in remuneration of Shri. P.K. Jain( DIN no.00380458:), Managing Director of the Company**

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

“RESOLVED THAT, in modification of the resolution no. 9 passed by the shareholders of the Company at the Annual General Meeting held on 24th November 2011 for the appointment and payment of remuneration to Shri. P.K. Jain( DIN no.00380458:) as Managing Director of the Company and the resolution no. 10 passed by the shareholders of the Company at the extraordinary general meeting held on December 19, 2013 for increase in remuneration of Shri. P.K. Jain( DIN no.00380458:) and pursuant to the provisions of Section 197 read with Schedule

V to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Rules prescribed thereunder and any statutory modifications thereof for the time being in force, approval of the shareholders of the Company be and is hereby accorded to payment of increased salary, perquisites and commission to Shri. P.K. Jain( DIN no.00380458:), as set out in the Explanatory Statement annexed to the notice of this Annual General Meeting, with effect from 1<sup>st</sup> April 2014 for the remainder of his tenure of appointment, which expires on October 31, 2014.”

“RESOLVED FURTHER THAT if in any financial year during the tenure of Shri. P.K. Jain( DIN no.00380458:) as Managing Director, the Company has no profits, or its profits are inadequate, Shri. P.K. Jain( DIN no.00380458:) shall be entitled to receive and be paid remuneration, including salary, perquisites and other allowances, not exceeding Rs. 10,00,000/- per month in such financial year, or such other remuneration within the applicable limits prescribed by the Central Government from time to time in this regard.”

“RESOLVED FURTHER THAT, the approval of the shareholders of the Company be and is hereby accorded to the draft supplemental agreement between Shri. P.K. Jain( DIN no.00380458:) and the Company for the increased remuneration of Shri. P.K. Jain( DIN no.00380458:) submitted to this meeting and initiated by the Chairman for the purpose of identification.”

17. **Increase in remuneration of Shri. Bakul Jain( DIN no. 00380256), Managing Director of the Company**

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

“RESOLVED THAT, in modification of the resolution no. 7 passed by the shareholders of the Company at the Annual General Meeting held on 24th November 2011 for the appointment and payment of remuneration to Shri. Bakul Jain( DIN no. 00380256) as Managing Director of the Company and the resolution no. 9 passed by the shareholders of the Company at the Extraordinary General meeting held on December 19, 2013 for increase in remuneration of Shri. Bakul Jain( DIN no. 00380256) and pursuant to the provisions of Section 197 read with Schedule V to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the rules prescribed thereunder and any statutory modifications thereof for the time being in force, approval of the shareholders of the Company be and is hereby accorded to payment of increased salary, perquisites and commission to Shri. Bakul Jain( DIN no. 00380256), as set out in the Explanatory Statement annexed to the notice of this Annual General Meeting, with effect from April 1, 2014 for the remainder of his tenure of appointment, which expires on 26th July 2014.”

“RESOLVED FURTHER THAT if in any financial year during the tenure of Shri. Bakul Jain( DIN no. 00380256) as Managing



Director, the Company has no profits, or its profits are inadequate, Shri. Bakul Jain(DIN no. 00380256) shall be entitled to receive and be paid remuneration, including salary, perquisites and other allowances, not exceeding Rs. 10,00,000/- per month in such financial year, or such other remuneration within the applicable limits prescribed by the Central Government from time to time in this regard."

**"RESOLVED FURTHER THAT** the approval of the shareholders of the Company be and is hereby accorded to the draft supplemental agreement between Shri. Bakul Jain(DIN no. 00380256) and the Company for the increased remuneration of Shri. Bakul Jain(DIN no. 00380256) submitted to this meeting and initialed by the Chairman for the purpose of identification."

18. **Reappointment of Shri. P.K. Jain(DIN no.:00380458) as Managing Director of the Company**

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

**"RESOLVED THAT**, in supersession of all previous resolutions passed by the shareholders of the Company in this regard and pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Rules prescribed thereunder and any statutory modifications thereof for the time being in force, approval of the shareholders of the Company be and is hereby accorded

to the reappointment of Shri. P.K. Jain(DIN no.:00380458) as Managing Director of the Company for a period of 3 years with effect from 1<sup>st</sup> November 2014 with such salary, perquisites and commission as is set out in the Explanatory Statement annexed to the notice of this Annual General Meeting and on such other terms and conditions as are set out in the draft agreement between Shri. P.K. Jain(DIN no.:00380458) and the Company submitted to this meeting and initialed by the Chairman for the purpose of identification, which agreement is hereby approved by the shareholders of the Company with liberty to the Board of Directors to alter the terms and conditions of the said agreement in such manner as may be agreed to between the Company and Shri. P.K. Jain(DIN no.:00380458), subject to such alterations being made in accordance with the Companies Act, 2013."

**"RESOLVED FURTHER THAT** if in any financial year during the tenure of Shri. P.K. Jain(DIN no.:00380458) as Managing Director, the Company has no profits, or its profits are inadequate, Shri. P.K. Jain shall be entitled to receive and be paid remuneration, including salary, perquisites and other allowances, not exceeding Rs. 10,00,000/- per month in such financial year, or such other remuneration within the applicable limits prescribed by the Central Government from time to time in this regard."

19. **Reappointment of Shri. Bakul Jain(DIN no.:00380256) as Managing Director of the Company**

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

**"RESOLVED THAT**, in supersession of all previous resolutions passed by the shareholders of the Company in this regard and pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Rules prescribed thereunder and any statutory modifications thereof for the time being in force, approval of the shareholders of the Company be and is hereby accorded to the reappointment of Shri. Bakul Jain(DIN no.:00380256) as Managing Director of the Company for a period of 3 years with effect from July 27, 2014 with such salary, perquisites and commission as is set out in the Explanatory Statement annexed to the notice of this Annual General Meeting and on such other terms and conditions as are set out in the draft agreement between Shri. Bakul Jain(DIN no.:00380256) and the Company submitted to this meeting and initialed by the Chairman for the purpose of identification, which agreement is hereby approved by the shareholders of the Company with liberty to the Board of Directors to alter the terms and conditions of the said agreement in such manner as may be agreed to between the Company and Shri. Bakul Jain(DIN no.:00380256), subject to such alterations being made in accordance with the Companies Act, 2013."

**"RESOLVED FURTHER THAT** if in any financial year during the tenure of Shri. Bakul Jain(DIN



no.:00380256) as Managing Director, the Company has no profits, or its profits are inadequate, Shri. Bakul Jain(DIN no.:00380256) shall be entitled to receive and be paid remuneration, including salary, perquisites and other allowances, not exceeding Rs. 10,00,000 per month in such financial year, or such other remuneration within the applicable limits prescribed by the Central Government from time to time in this regard."

20. **To adopt new Articles of Association of the Company**

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

"RESOLVED THAT, pursuant to Section 5 and Section 14 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 the Companies (Incorporation) Rules, 2014 prescribed there under and any statutory modifications thereof for the time being in force, approval of the shareholders of the Company be and is hereby accorded to replace the existing Articles of Association of the Company with a new set of Articles of Association, which is initialed by the Chairman for the purpose of identification and placed before the shareholders of the Company.

21. **Approval for preferential issue of equity shares to the Promoters**

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

"RESOLVED THAT, pursuant to the provisions of Section 42 and Section 62, and other applicable provisions, if any, of the Companies Act, 2013, and any statutory modifications thereof for the time being in force, and in accordance with the relevant provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the listing agreement entered into between the Company and the stock exchanges where the shares of the Company are listed and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to the terms and conditions as may be determined by the Board of Directors of the Company and further subject to all such approvals, consents, permissions and/or sanctions as may be required from the regulatory authorities, approval of the shareholders of the Company be and is hereby accorded to create, issue and allot upto 70,00,000 (Seventy Lakh) fully paid up equity shares of Rs. 2 (Rupees Two only) each of the Company to the following Promoters of the Company (whose names shall be recorded by the Company in the manner set out in Section 42(7) of the Companies Act, 2013 read with the Companies (Prospectus and Allotment) Rules, 2014) at a price of Rs. 27 per equity share (including a premium of Rs.25 per equity share) in the manner set out below:

| Sr. No. | Identity of the proposed allottees                         | No. of shares proposed to be issued |
|---------|--|-------------------------------------|
| 1.      | Shri. P.K. Jain & Smt. Usha P. Jain                        | upto 8,70,000 equity shares         |
| 2.      | Smt. Usha P. Jain & Shri. P.K. Jain                        | upto 3,55,000 equity shares         |
| 3.      | Shri. Bakul Jain & Smt. Paulomi Jain & Smt. Durgavati Jain | upto 12,25,000 equity shares        |
| 4.      | Shri. Mudit Jain   | upto 12,25,000 equity shares        |
| 5.      | Shri. Vivek Jain & Smt. Meeta Jain                         | upto 12,25,000 equity shares.       |
| 6.      | Sahu Brothers Pvt.Ltd.                                     | Upto 21,00,000 equity shares        |

"RESOLVED FURTHER THAT the 'Relevant Date' for determining the price of the equity shares proposed to be issued in accordance with the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, shall be Monday, July 14, 2014, being thirty days prior to the date of this Annual General Meeting."

"RESOLVED FURTHER THAT the new equity shares to be so issued and allotted shall be subject to the Memorandum of Association and Articles of Association of the Company and shall rank in all respects *pari passu* with the existing equity shares of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (which shall be deemed to include any Committee(s), which the Board of Directors may have or hereafter constitute in this behalf to exercise the powers conferred on the Board of Directors by this resolution) of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient or proper and to settle any questions, difficulties





or doubts that may arise in this regard at any stage including at the time of listing of the equity shares with the stock exchanges where the shares of the Company are listed, without requiring the Board of Directors to obtain any further consent or approval of the shareholders of the Company in relation to the matters set out in this resolution."

22. **To approve the remuneration of the Cost Auditors for the financial year ending March, 31, 2015**

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

"**RESOLVED THAT** pursuant to the provision of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, approval of the shareholders of the Company be and is hereby accorded for Payment of remuneration to the Cost Auditors of the Company appointed by the Board of Directors at their meeting held on May 19, 2014, to conduct the audit of the cost records of the Company for the financial year ending on March 31<sup>st</sup>, 2015, as set out in the Explanatory Statement annexed to the notice of this Annual General Meeting;

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors,

**Jigna Karnick**  
**Dy. Company Secretary**

Mumbai, June 18, 2014.

**NOTES:-**

1. 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. The Proxy Form should be lodged with the Company at the Registered Office at least 48 hours before the time of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

2. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, August 4, 2014 to Wednesday, August 13, 2014, both days inclusive.

5. Shareholders are requested to promptly notify any changes in their address to the Company's Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd., (Unit: DCW Limited), E/2&3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072.

6. **Members who have not registered their e-mail id addresses so far are requested to register their e-mail address in case of physical holding with the Company and in case of demat holding with the Depository Participant.**

7. Electronic copy of the notice of the 75<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the e-voting procedure along with the attendance slip and proxy form is being sent to all the members whose e-mail address are registered with the Company/ Depository Participant for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the notice of the 75<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the e-voting procedure along with the attendance slip and proxy form is being sent in the permitted mode.

8. All documents referred to in the Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. up to the date of declaration of the result of the 75<sup>th</sup> Annual General Meeting of the Company.

9. Pursuant to Sections 123, 124, 125 of the Companies Act, 2013, any money transferred to the unpaid dividend account which remains unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred by the Company to a fund called 'Investor Education



and Protection Fund' (the Fund) set up by the Central Government and the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company ([www.dcwlimited.com](http://www.dcwlimited.com)) and also on the website of the Ministry of Corporate Affairs.

Accordingly, the Company has transferred all the unclaimed dividends to the said Fund upto the Interim Dividend for the year 2006-2007.

The dividend for the year ended March 31, 2014 as recommended by the Board, if sanctioned at the meeting, will be paid on or before August 16, 2014 to those members whose names appear in the Company's Register of Members as on August 4, 2014. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as *per* details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.

Members who have not encashed their dividend warrants within the validity period may write to the Company's Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd., E/2&3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072 for obtaining payment in lieu of such warrants.

**10. Payment of Dividend through ECS:**

(a) **Members holding shares in physical form are advised to submit particulars of their Bank Account viz. Name and**

**address of the branch of the Bank, 9 digit MICR Code of the Branch, type of account and account number latest by August 3, 2014 to the Company's Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd., E/2&3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072.**

(b) Members holding shares in demat form are advised to inform their particulars to their respective Depository Participant.

**11. Members are requested to bring their copy of Annual Report to the Meeting.**

12. Members desirous of obtaining any information concerning accounts of the Company are requested to address their questions to the Company Secretary, so as to reach at least 7 days before the date of meeting, to enable the information required to be made available at the Meeting, to the extent possible.

13. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in demat / electronic form, the nomination form may be filed with the respective Depository Participant.

**14. Voting through electronic means**

i. 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 members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [ for members whose email IDs are registered with the Company/ Depository Participant(s)]:

i. Launch the internet browser by typing the following <https://www.evoting.nsd.com>.

ii. Click on "Shareholder-Login":

iii. Put user ID and Password noted in step (i) above as the initial password. Click login. If you are already registered with NSDL for e- voting then you can use your existing User ID and Password for Login.

iv. If you are logging in for the first time, Password Change Menu appears. Change the Password of your choice with minimum 8 digits / characters or a combination thereof. Please note the new Password for all the future e-voting cycles offered on NSDL e-voting



- Platform. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
- v. Home page of “e-voting” opens. Click on “e-voting” : Active Voting Cycles.
  - vi. Select “EVEN (E-Voting Event Number)” of DCW LTD. For and EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.
  - vii. Now you are ready for “e-voting” as “Cast Vote” Page opens.
  - viii. Cast your vote by selecting appropriate option and click “Submit” and also “Confirm” when prompted. Kindly note that vote once cast cannot be modified.
  - ix. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email at : [skjaincs1944@gmail.com](mailto:skjaincs1944@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - x. Once the vote on a resolution is cast by the shareholder she/he shall not be allowed to change it subsequently
- In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the “downloads” section of <https://www.evoting.nsd.com> or contact NSDL by email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B:** In case a Member receives physical copy the Notice of the 75<sup>th</sup> AGM [for Members whose email IDs are not registered with the Company/Depository Participant(s) or requesting Physical Copy]
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the 75<sup>th</sup> AGM:  
**EVEN (E Voting Event Number)**  
**USER ID**  
**PASSWORD/PIN**
  - (ii) Please follow Sl. No.(i) to Sl. No. (xi) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com)
  - III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote
  - IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting date is Friday August 8, 2014 (“E-voting day”) from 9.00 am to 6.00 pm On E-voting day shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 11, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - VI. The Voting rights of the Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the Cut-off date (record date) of July 11, 2014
  - VII. Dr. S. K. Jain, Practicing Company Secretary (Membership No. 1473) and Proprietor of S. K. Jain and Company has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner
  - VIII. The Scrutinizer shall within a period of not exceeding three(3) working days from the conclusion of the e-Voting period unlock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - IX. The Results shall be declared on or after the 75<sup>th</sup> Annual General Meeting of the Company. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website [www.dcwlimited.com](http://www.dcwlimited.com) and on the website of NSDL within two(2) days of passing



of the resolutions at the 75<sup>th</sup> Annual General Meeting of the Company and communicated to the BSE Limited and NSE Limited

15. All documents referred to in the Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. up to the date of declaration of the result of the 75th Annual General Meeting of the Company.
16. Profile of Directors to be re-appointed/appointed pursuant to Clause 49 of the Listing Agreement.

**Shri Bakul Jain**

Shri Bakul Jain holds a Master degree in Management from IMD, Lausanne, Switzerland. Shri Bakul Jain is having good knowledge and experience in the manufacturing industry. He was appointed on the Board in the year 1996, prior to which he was President of the Company. Shri Bakul Jain is a Director of Sahu Brothers Pvt. Ltd., B.J. Holdings Pvt. Ltd., Canvas Shoe Co. (Goa) Pvt. Ltd., J.K. Tyres and Industries Ltd., DPB Holdings Pvt. Ltd., Lifestyle Trade Links (India) Pvt. Ltd., Jain Sahu Brothers (Investments) Pvt. Ltd., DCW Pigments Limited and Cashco Holding Pvt. Ltd. He is a member of the Corporate Social Responsibility Committee and Stakeholders Relationship Committee of the Board.

**Shri Vivek Jain**

Shri Vivek Jain is MBA (Babsons College, USA) and MMS (Jamnalal Bajaj Institute of Management Studies, Mumbai) Shri Vivek Jain is having very

good knowledge and experience in the PVC Industry. Shri Vivek Jain is a Director of Classic Stud & Agricultural Farm Private Limited, Crescent Finstock Limited, The Cricket Club of India Limited, Royal Western India Turf Club Limited, DCW Pigments Limited, Jain Sahu Brothers Properteis Private Limited.

**Shri Sodhsal Singh Dev of Dhrangadhra, Smt. Sujata Rangnekar, Shri D. Ganapathy, Shri Salil Kapoor,**

The prescribed details are provided in item Nos. 5, 6, 7 and 8 respectively in the statement pursuant to Section 102 of the Companies Act, 2013 annexed to this Notice.



## Annexure to the Notice

### STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“the Act”)

#### Item No. 5:

Shri.Sodhsal Singh Dev of Dhrangdhra, ( **DIN no.:00682550**) Director retires by rotation at the forthcoming Annual General Meeting. In terms of Section 149(10) of the Act, an Independent Director may be appointed by a company for a consecutive period of 5 years. It is, therefore, proposed that Shri. Sodhsal Singh Dev of Dhrangdhra, ( **DIN no.:00682550**) be appointed as an Independent Director of the Company for a consecutive period of 5 years at the forthcoming Annual General Meeting for a term up to the conclusion of the 80<sup>th</sup> Annual General Meeting of the company in the calendar year 2019.

Shri Sodhsal Singh Dev of Dhrangdhra, ( **DIN no.:00682550**) is the son of Late Shri HHM Sriraj of Dhrangadhra, former Maharaja of Dhrangadhra. He is the Director of the Company since 1990. He is M.A. in Chemistry from Oxford University and has very good knowledge about the industry. He is a Director of Jaycee Chemicals Pvt. Ltd. and Umbria Chemicals Pvt. Ltd. He is a member of the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Board. Shri Sodhsal Singh Dev of Dhrangdhra, ( **DIN no.:00682550**) is holding 55,000 Equity shares of the Company (which constitutes less than 2% of the issued share capital of the Company, in compliance with Section 149 of the Act). He is not related to any other Director of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri. Sodhsal Singh Dev of Dhrangdhra, ( **DIN no.:00682550**) for the office of Director of the Company.

The Company has also received declaration from Shri. Sodhsal Singh Dev of Dhrangdhra, ( **DIN no.:00682550**) that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and Rules made thereunder and under clause 49 for the Listing Agreement

In the opinion of the Board, Shri. Sodhsal Singh Dev of Dhrangdhra, ( **DIN no.:00682550**) fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing agreement. Shri. Sodhsal Singh Dev of Dhrangdhra, ( **DIN no.:00682550**) is independent of the management of the Company.

Shri.Sodhsal Singh Dev of Dhrangdhra, ( **DIN no.:00682550**) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Your Directors recommend the resolution at item no. 5 for your approval.

Shri.Sodhsal Singh Dev of Dhrangadhra ( **DIN no.:00682550**) is interested in the resolution since it pertains to his appointment. None of the other Directors or key managerial personnel of the Company or their relatives are in any way concerned or interested in the said resolution.

#### ITEM NO. 6

Smt. Sujata Rangnekar( **DIN no.: 06425371**), an Independent Director is presently appointed as a Director liable to retire by rotation. In terms of Section 149(10) of the Act, an Independent Director may be appointed by a company for a consecutive period of 5 years. It is, therefore, proposed that Smt. Sujata Rangnekar( **DIN no.: 06425371**) be

appointed as an Independent Director of the Company for a consecutive period of 5 years at the forthcoming Annual General Meeting for a term up to the conclusion of the 80<sup>th</sup> Annual General Meeting of the company in the calendar year 2019.

Smt. Sujata Rangnekar( **DIN no.: 06425371**) is B.Com, A.C.A., L.L.B. She was the President of the Sales Tax Practitioners Association of Maharashtra in the year 1999-2000. She was also the President of the Sales Tax Tribunal Bar Association for a term 2002-2004. She is the regular column writer and contributor to leading journals on Sales Tax. She is a Member of the Audit Committee and the Nomination and Remuneration Committee of the Board. Smt. Sujata Rangnekar( **DIN no.: 06425371**) is not holding any shares in the Company and she is not related to any other Director of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Smt. Sujata Rangnekar( **DIN no.: 06425371**) for the office of Director of the Company.

The Company has also received declaration from Smt. Sujata Rangnekar( **DIN no.: 06425371**) that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Rules made thereunder and under clause 49 for the Listing Agreement.

In the opinion of the Board, Smt. Sujata Rangnekar( **DIN no.: 06425371**) fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing agreement and is independent of the management of the Company.



Smt. Sujata Ragnekar( **DIN no.: 06425371**) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director.

Your Directors recommend the resolution at item no. 6 for your approval.

Smt. Sujata Rangnekar( **DIN no.: 06425371**) is interested in the resolution since it pertains to her appointment. None of the other directors or key managerial personnel of the Company or their relatives are in any way concerned or interested in the said resolution.

**Item No. 7:**

Shri. D. Ganapathy(**DIN no.:02707898**), an Independent Director is presently appointed as a Director liable to retire by rotation. In terms of Section 149(10) of the Act, an Independent Director may be appointed by a company for a consecutive period of 5 years. It is, therefore, proposed that Shri. D. Ganapathy(**DIN no.:02707898**) be appointed as an Independent Director of the Company for a consecutive period of 5 years at the forthcoming Annual General Meeting for a term up to the conclusion of the 80<sup>th</sup> Annual General Meeting of the company in the calendar year 2019

Shri. D. Ganapathy(**DIN no.:02707898**) is M.A., L.L.B. He held senior positions in the Human Resource Department of well known companies. Presently he is a Consultant for Human Resources and is also a Director of Crescent Finstock Ltd. The Company will be benefited by the knowledge and experience of Shri. D. Ganapathy(**DIN no.:02707898**). Shri. D. Ganapathy(**DIN no.:02707898**) is not related to any other Director of the Company. Shri. D. Ganapathy(**DIN no.:02707898**) is a member of the Audit Committee, Nomination

and Remuneration Committee and Stakeholders Committee of the Board.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Shri. D. Ganapathy(**DIN no.:02707898**) for the office of Director of the Company.

The Company has also received declaration from Shri. D. Ganapathy(**DIN no.:02707898**) that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and Rules made thereunder and under clause 49 of the Listing Agreement

In the opinion of the Board, Shri. D. Ganapathy(**DIN no.:02707898**) fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing agreement and is independent of the management of the Company.

Shri. D. Ganapathy(**DIN no.:02707898**) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Your Directors recommend the resolution at item no. 7 for your approval.

Shri. D. Ganapathy(**DIN no.:02707898**) is interested in the resolution since it pertains to his appointment. None of the other directors or key managerial personnel of the Company or their relatives are in any way concerned or interested in the said resolution.

**Item No. 8:**

Shri.Salil Kapoor (**DIN no.:02256540**) was appointed as an Additional Director of the Company by the Board at its meeting held on 23<sup>rd</sup> October 2013. As *per* the provisions

of Section 161 of the Companies Act, 2013, Shri.Salil Kapoor(**DIN no.:02256540**) holds office as an Additional Director till the date of the forthcoming Annual General Meeting. In terms of Section 149(10) of the Act an Independent Director may be appointed by a company for a consecutive period of 5 years. It is, therefore, proposed that Shri. Salil Kapoor(**DIN no.:02256540**) be appointed as an Independent Director of the Company for a consecutive period of 5 years at the forthcoming Annual General Meeting for a term up to the conclusion of the 80<sup>th</sup> Annual General Meeting of the company in the calendar year 2019.

Shri. Salil Kapoor(**DIN no.:02256540**) is an Advocate on Income Tax matters practicing in Supreme Court and various High Courts. He was a member of Income Tax Appellate Tribunal from March 2005 to September, 2006 and was also a Director of Bank of Rajasthan from December, 2008 to August, 2010. He represents major multinationals and Indian companies on domestic and international taxation matters.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri. Salil Kapoor(**DIN no.:02256540**) for the office of Director of the Company.

The Company has also received declaration from Shri. Salil Kapoor(**DIN no.:02256540**) that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Rules made thereunder and under clause 49 for the Listing Agreement

In the opinion of the Board, Shri. Salil Kapoor(**DIN no.:02256540**) fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing agreement and is independent of the management of



the Company.

Shri.Salil Kapoor(DIN no.:02256540) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Your Directors recommend the resolution at item no. 8 for your approval.

Shri.Salil Kapoor(DIN no.:02256540) is interested in the resolution since it pertains to his appointment. None of the other Directors or key managerial personnel of the Company or their relatives are in any way concerned or interested in the said resolution.

#### Item No. 9

Shri.Vivek Jain (DIN no.:00502027) was appointed as an Additional Director of the Company by the Board at its meeting held on 28<sup>th</sup> February 2014. As per the provisions of Section 161 of the Companies Act, 2013 Shri. Vivek Jain(DIN no.:00502027) holds office as an Additional Director till the date of the forthcoming Annual General Meeting. The Company has received a notice from Shri. Vivek Jain(DIN no.:00502027) under Section 160 of the Companies Act, 2013 proposing his candidature as a Director of the Company at the forthcoming Annual General Meeting, along with the requisite amount of deposit as required under the Act. It is, therefore, proposed that Shri. Vivek Jain(DIN no.:00502027) be appointed as a Director of the Company, liable to retire by rotation.

Your Directors recommend the resolution at item no. 9 for your approval.

Shri.Vivek Jain(DIN no.:00502027) is interested in the resolution set out in Item No. 9 of the Notice, which pertains to his appointment as a Director. The relatives of Shri. Vivek Jain(DIN no.:00502027) may be deemed to be interested in

the resolution set out at Item no. 9 of the Notice, to the extent of their shareholding interest, if any, in the Company

Save and except the above, none of the other Directors or key managerial personnel of the Company or their relatives are in any way concerned or interested in the said resolution.

#### Item No 10:

Shri. Saatvik Jain looks after the PVC division of the Company. Shri. Saatvik Jain was appointed as the President of the Company by the Board at its meeting held on February 28, 2014 subject to the approval of the shareholders, with a monthly remuneration of Rs. 2,50,000/-, for a period of 5 years with effect from March 1, 2014 and has been discharging his duties as President since then. The aforesaid resolution was passed in accordance with the provisions of Section 314(1B) of the Companies Act, 1956, which was then in force. Approval of the shareholders of the Company for Shri. Saatvik Jain's appointment was to be obtained at the first general meeting of the Company held after the aforesaid resolution was passed. No general meeting has been held since then. Meanwhile, Section 188 of the Companies Act, 2013 (effectively replacing Section 314 of the Companies Act, 1956), was notified.

Section 188 of the Companies Act, 2013 requires consent of the Board at a meeting at which no Director interested in any contract or arrangement with a related party is present during the discussion on such contract or arrangement and requires such contract or arrangement to be approved by the shareholders within 3 months from the date of such contract or arrangement. In order to ensure full compliance with the provisions of Section 188 of the Companies Act, 2013, Shri. Saatvik Jain's appointment and remuneration (as set out in the

resolution at item no.10) as President of the Company was once again approved by the Board for a period of 5 years with effect from 1st March 2014, vide the resolution passed on 19<sup>th</sup> May 2014, in supersession of the earlier resolutions passed by the Board in this regard. The forthcoming Annual General Meeting of the Company will be held within a period of 3 months from the date of the said resolution of the Board, as required under Section 188 of the Companies Act, 2013. It is, therefore proposed that the appointment of Shri. Saatvik Jain, as a President of the Company be approved at the forthcoming Annual General Meeting.

As per Section 188 of the Companies Act, 2013, shareholders of the Company related to, or who are related parties of Shri. Saatvik Jain, are restricted from voting on the resolution approving his appointment and/or remuneration.

Your Directors recommend the resolution at Item no. 10 for your approval.

Shri. Vivek Jain, Managing Director of the Company is relative of the Shri. Saatvik Jain and other relatives of Shri. Saatvik Jain may be deemed to be interested in the resolution set out at Item no. 10 of the Notice, to the extent of their shareholding interest, if any, in the Company

Save and except the above, none of the other Directors or key managerial personnel of the Company or their relatives are in any way concerned or interested in the said resolution

#### Item Nos. 11-13

Shri. Ashish Jain is in charge of the Soda Ash Division of the Company and Smt. Paulomi Jain looks after the expansion and diversification programmes of the Company. Shri. Ashish Jain and Smt. Paulomi Jain were appointed as Presidents of the Company from



August 27, 2009 to March 31, 2014. Pursuant to the approval of the Central Government under Section 314(1B) of the Companies Act, 1956, each of Shri. Ashish Jain and Smt. Paulomi Jain were entitled to salary of Rs. 2,50,000/-per month in the grade of Rs. 2,50,000 – Rs. 25,000 – Rs. 3,50,000 along with perquisites. The terms of appointment of each of Shri. Ashish Jain's and Smt. Paulomi Jain's as Presidents of the Company expired on 31<sup>st</sup> March 2014.

Smt. Malti Bhindi looks after the public relations of the Company. Smt. Malti Bhindi was appointed as a President of the Company with effect from 1 October, 2012 and her appointment was approved by way of a special resolution of the shareholders of the Company passed on 12<sup>th</sup> September 2013. Since her appointment, Smt. Malti Bhindi has been entitled to remuneration of Rs. 2,50,000/- per month.

On 19<sup>th</sup> December, 2013, the shareholders of the Company passed special resolutions under Section 314(1B) of the Companies Act, 1956 approving payment of remuneration of Rs. 7,50,000/- per month to each of Shri. Ashish Jain, Smt. Paulomi Jain and Smt. Malti Bhindi, in the grade of Rs. 7,50,000/- – Rs. 50,000/- – Rs. 10,00,000/- along with perquisites for a period of 5 years commencing 1<sup>st</sup> April 2014 subject to the approval of the Central Government. The Company then applied to the Central Government for approval to pay the proposed remuneration to Shri. Ashish Jain, Smt. Paulomi Jain and Smt. Malti Bhindi. However, while the applications to the Central Government were pending, several sections of the Companies Act, 2013 were notified. Accordingly by its letter of 7<sup>th</sup> April 2014, the Central Government directed the Company to proceed in accordance with the provisions of Section 188(f) of the Companies Act, 2013.

Under Section 314(1B) of the Companies Act, 1956 shareholders of the Company related to, or who are related parties of, the person being appointed to the office or place of profit were not restricted from voting on the resolution approving such person's appointment and/or remuneration. However, under Section 188 of the Companies Act, 2013, such shareholders cannot vote on the resolution. As shareholders related to Shri. Ashish Jain, Smt. Paulomi Jain and Smt. Malti Bhindi had voted on the aforesaid special resolutions passed on 19<sup>th</sup> December 2013, fresh special resolutions of the shareholders approving the appointment of each of Shri. Ashish Jain, Smt. Paulomi Jain and Smt. Malti Bhindi are to be passed in order to comply with the provisions of Section 188 of the Companies Act, 2013.

Following the notification of Section 188 of the Companies Act, 2013, the Board at its meeting on 19<sup>th</sup> May 2014 once again approved the reappointment and remuneration (as stated in the resolutions at item nos. 11-13) of each of Shri. Ashish Jain, Smt. Paulomi Jain and Smt. Malti Bhindi as Presidents of the Company for a period of 5 years with effect from 1<sup>st</sup> April 2014, in supersession of the earlier resolutions passed by the Board in this regard subject to the approval of the shareholders. The forthcoming Annual General Meeting of the Company will be held within a period of 3 months from the said resolutions of the Board. It is, therefore, proposed that, the appointment of each of Shri. Ashish Jain, Smt. Paulomi Jain and Smt. Malti Bhindi, as Presidents of the Company be approved at the forthcoming Annual General Meeting in supersession of the earlier resolutions passed by the shareholders in this regard. As already stated above, as per Section 188 of the Companies Act, 2013, the shareholders of the Company related to, or who are related parties of Shri.

Ashish Jain, Smt. Paulomi Jain and Smt. Malti Bhindi are restricted from voting on the resolution approving their respective appointments and/or remuneration.

Your Directors recommend the resolution at item nos. 11-13 for your approval.

Shri. P. K. Jain(DIN no.00380458), Chairman and Managing Director of the Company is relative of Shri. Ashish Jain and other relatives of Shri. Ashish Jain may be deemed to be interested in the resolution set out at Item no. 11 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Shri.Bakul Jain(DIN no.:00380256), Managing Director of the Company is relative of the Smt. Paulomi Jain and other relatives of Smt. Paulomi Jain may be deemed to be interested in the resolution set out at Item no. 12 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Shri.Mudit Jain(DIN no.:00647298), Managing Director of the Company is relative of Smt. Malti Bhindi and other relatives of Smt. Malti Bhindi may be deemed to be interested in the resolution set out at Item no. 13 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the said resolution.

#### Item no. 14

Shri.Vivek Jain(Din no.:00502027) is in charge of the PVC division of the Company, and has been with the Company since 1<sup>st</sup> September 1984. Vide a resolution passed at the meeting held on 28<sup>th</sup> February 2014, the Board appointed Shri. Vivek Jain(Din no.:00502027) as the Managing





Director of the Company subject to the approval of the shareholders. As per the said resolution of the Board, Shri. Vivek Jain (Din no.:00502027) was appointed for a term of 3 years effective from 01<sup>st</sup> March 2014 and was *inter alia* entitled to a salary of Rs. 7,50,000/- per month and perquisites not exceeding Rs. 12,00,000/- per annum, and in case the Company did not have any profits or has inadequate profits in any financial year, to a remuneration (including salary and perquisites) not exceeding Rs. 48,00,000/- in such financial year. The remuneration of Shri. Vivek Jain was fixed based on the maximum limit on managerial remuneration (without the approval of the Central Government) prescribed under Section 198 of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956.

Section 197 of the Companies Act, 2013 (effectively replacing Section 198 of the Companies Act, 1956) and Schedule V to the 2013 Act (effectively replacing Schedule XIII to the Companies Act, 1956) were notified by the Central Government with effect from 1<sup>st</sup> April 2014. Having regard to the knowledge and experience of Shri. Vivek Jain and the responsibilities shouldered by him, the Board accorded its approval at the meeting held on 19<sup>th</sup> May 2014, in modification of its earlier resolution and subject to the approval of the shareholders of the Company, to increase the salary payable to Shri. Vivek Jain to Rs. 10,00,000/- per month with effect from 1<sup>st</sup> April 2014 till the expiry of his tenure, and in case the Company does not have any profits or has inadequate profits in any financial year, to a remuneration (including salary and perquisites) not exceeding Rs 10,00,000/- per month or Rs. 1,20,00,000/- per annum, in such financial year. The remuneration approved by the Board vide the aforesaid resolution is within

the maximum limit of managerial remuneration (without the approval of the Central Government) prescribed under Section 197 read with Schedule V to the Companies Act, 2013. The Remuneration Committee of the Board approved the payment of the said remuneration to Shri. Vivek Jain by passing a resolution at the meeting held on May 19, 2014. It is, therefore, proposed that the appointment and remuneration of Shri. Vivek Jain as the Managing Director be approved by the shareholders of the Company at the forthcoming Annual General Meeting

The detailed terms and conditions of appointment and remuneration of Shri. Vivek Jain as Managing Director are as follows:

(a) **Period:** 3 years with effect from 1<sup>st</sup> March 2014.

(b) **Remuneration**

(i) **Salary:** Rs. 7,50,000/- for the month of March 2014 and Rs. 10,00,000/- per month on and from 1<sup>st</sup> April 2014.

(ii) **Perquisites:**

In addition to his salary, Shri. Vivek Jain shall also be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with utilities thereof such as gas, electricity, water, furnishings and repairs; medical reimbursement and leave travel concession for himself and family; club fees, medical insurance etc. in accordance with the Rules of the Company or as may be agreed to between the Board and Shri. Vivek Jain; the amount of such perquisites

to be restricted to Rs. 12,00,000/- per annum.

The Company shall provide Shri. Vivek Jain, a car with a driver and telephone facility at his residence. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to Shri. Vivek Jain.

(iii) **Commission:**

Commission shall be paid in addition to the above salary and perquisites and shall be calculated with reference to the net profits of the Company in the relevant financial year as determined on approval of the accounts subsequent to the year ending. The amount of such Commission shall be subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013 and shall be 25% of the difference between 10% of the net profits in that Financial Year and the aggregate of the salary and perquisites and benefits paid to the Managing Directors and the Whole - time Directors of the Company in that year.

(c) If in any Financial Year during the tenure of Shri. Vivek Jain, the Company has no profits or its profits are inadequate, he shall be entitled to receive and be paid remuneration in that year; salary and



perquisites not exceeding Rs. 4,00,000/- per month for the month of March 2014 and not exceeding Rs. 1,20,00,000/- per annum, or Rs. 10,00,000/- per month with effect from 1<sup>st</sup> April 2014, or such other limit as may be prescribed by the Government from time to time in this regard, but shall not be entitled to any Commission. However, the Company's contribution to provident fund and superannuation fund or annuity fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. 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 the tenure shall not be included in the computation of ceiling on perquisites.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as *per* the Income Tax Rules, 1962 wherever applicable. In the absence of any such, the Income Tax Rules, 1962, perquisites shall be evaluated at actual cost.

Shri Vivek Jain is MBA (Babsons College, USA) and MMS (Jamnalal Bajaj Institute of Management of Studies, Mumbai.)

The draft of the agreement between the Company and Shri. Vivek Jain is open for inspection at the registered office of the Company during the office hours on all working days

between 11.00 a.m.to 1.00 p.m. except Saturday

Your Directors recommend the resolution at item no. 14 for your approval.

Shri Vivek Jain is interested in the Resolution, since it pertains to his appointment as Managing Director. Relatives of Shri. Vivek Jain may be deemed to be interested in the resolution set out at Item no. 14 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors or key managerial personnel of the Company or their relatives are in any way concerned or interested in the said resolution.

#### Item no. 15

Shri. Mudit Jain has been a part of the Company since 1<sup>st</sup> April 1989 and prior to his appointment as Managing Director he was Executive Director of the Company. Vide a resolution passed at the meeting held on 28<sup>th</sup> February, 2014, the Board approved the appointment of Shri. Mudit Jain as the Managing Director of the Company subject to the approval of the shareholders. As *per* the said resolution of the Board, Shri. Mudit Jain was appointed for a term of 3 years effective from 1<sup>st</sup> March 2014 and was *inter alia* entitled to a salary of Rs. 7,50,000/-per month and perquisites not exceeding Rs. 12,00,000/- per annum, and in case the Company did not have any profits or had inadequate profits in any financial year, to a remuneration (including salary and perquisites) not exceeding Rs. 48,00,000/- per annum in such financial year. The remuneration for Shri. Mudit Jain was fixed based on the maximum limit on managerial remuneration (without the

approval of the Central Government) prescribed under Section 198 read with Schedule XIII to the Companies Act, 1956.

Having regard to the knowledge and experience of Shri. Mudit Jain and the responsibilities shouldered by him, the Board accorded its approval at the meeting held on 19<sup>th</sup> May 2014, in modification to its earlier resolution and subject to the approval of the shareholders of the Company, to increase the salary payable to Shri. Mudit Jain to Rs. 10,00,000/- per month with effect from 1<sup>st</sup> April 2014 till the expiry of his tenure, and in case the Company does not have any profits or has inadequate profits in any financial year, to a remuneration (including salary and perquisites) not exceeding Rs. 10,00,000/- per month or Rs. 1,20,00,000/- per annum in such financial year. The remuneration approved by the Board vide the aforesaid resolution is within the maximum limit of managerial remuneration (without the approval of the Central Government) prescribed under Section 197 read with Schedule V to the Companies Act, 2013. The Remuneration Committee of the Board approved the payment of the said remuneration to Shri. Mudit Jain by passing a resolution at the meeting held on May 19, 2014. It is, therefore, proposed that the appointment and remuneration of Shri. Mudit Jain as the Managing Director be approved by the shareholders of the Company at the forthcoming Annual General Meeting.

The detailed terms and conditions of appointment and remuneration of Shri. Mudit Jain as Managing Director are as follows:

- (a) **Period:** 3 years with effect from 1 March 2014.
- (b) **Remuneration**
  - (i) **Salary:** Rs. 7,50,000 for



the month of March 2014 and Rs. 10,00,000/- per month on and from 1<sup>st</sup> April 2014.

(ii) **Perquisites:**

In addition to Salary, Shri. Mudit Jain shall also be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with utilities thereof such as gas, electricity, water, furnishings and repairs; medical reimbursement and leave travel concession for himself and family; club fees, medical insurance etc. in accordance with the rules of the Company or as may be agreed to between the Board and Shri. Mudit Jain; the amount of such perquisites to be restricted to Rs. 12,00,000/-per annum.

The Company shall provide Shri. Mudit Jain, a car with a driver and telephone facility at his residence. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to Shri. Mudit Jain.

(iii) **Commission:**

Commission shall be paid in addition to the above Salary and Perquisites and shall be calculated with reference to the net

profits of the Company in the relevant financial year as determined on approval of the accounts subsequent to the year ending. The amount of such Commission shall be subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013 and shall be 25% of the difference between 10% of the net profits in that Financial Year and the aggregate of the salary and perquisites and benefits paid to the Managing Directors and the Whole - time Directors of the Company in that year.

- (c) If in any Financial Year during the tenure of Shri. Mudit Jain, the Company has no profits or its profits are inadequate, he shall be entitled to receive and be paid remuneration in that year; Salary and Perquisites not exceeding Rs. 4,00,000/- per month for the month of March, 2014 and not exceeding Rs. 1,20,00,000/- per annum; or Rs. 10,00,000/- per month with effect from 01 April 2014, or such other limit as maybe prescribed by the Government from time to time in this regard, but shall not be entitled to any Commission. However, the Company's contribution to provident fund and superannuation fund or annuity fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together

are not taxable under the Income Tax Act. 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 the tenure shall not be included in the computation of ceiling on perquisites.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as *per* the Income Tax Rules, 1962 wherever applicable. In the absence of any such Income Tax Rules, 1962, perquisites shall be evaluated at actual cost.

Shri. Mudit Jain, is B. Com, MBA (Wharton Business School, USA). He was the President of Alkali Manufacturers Association of India.

The draft of the agreement between the Company and Shri. Mudit Jain is open for inspection at the registered office of the Company during the office hours on all working days between 11.00 a.m. to 1.00 p.m. except Saturday.

Your Directors recommend the resolution as at item no. 15 for your approval

Shri Mudit Jain is interested in the Resolution, since it pertains to his appointment as Managing Director. Relatives of Shri. Mudit Jain may be deemed to be interested in the resolution set out at Item no. 15 of the Notice, to the extent of their shareholding interest, if any, in the Company.



Save and except the above, none of the other Directors or key managerial personnel of the Company or their relatives are in any way concerned or interested in the said resolution.

**Item nos. 16-17**

At the Annual General Meeting of the Company held on 24<sup>th</sup> November, 2011, the shareholders of the Company approved the appointment of and payment of remuneration to Shri. P.K. Jain and Shri. Bakul Jain, as Managing Directors of the Company for a period of 3 years from 01 November 2011 and 27<sup>th</sup> July, 2011, respectively. At the extraordinary general meeting of the Company held on 19<sup>th</sup> December 2013, the shareholders of the Company approved the increase in salary of each of Shri. P.K. Jain and Shri. Bakul Jain from Rs. 3,00,000/- per month to Rs. 7,50,000/- per month, for the remainder of their respective tenures. Each of Shri. P.K. Jain and Shri. Bakul Jain were also *inter alia* entitled to perquisites not exceeding Rs. 12,00,000/- per annum. The remuneration of Shri. P.K. Jain and Shri. Bakul Jain was fixed based on the maximum limit on managerial remuneration (without the approval of the Central Government) prescribed under Section 198 read with Schedule XIII to the Companies Act, 1956.

Having regard to the knowledge and experience of Shri. P.K. Jain and Shri. Bakul Jain and the responsibilities shouldered by them, the Board accorded its approval at the meeting held on 19<sup>th</sup> May 2014 subject to the approval of the shareholders of the Company, to increase the salary payable to each of Shri. P.K. Jain and Shri. Bakul Jain to Rs. 10,00,000/- per month with effect from 1<sup>st</sup> April 2014 till the expiry of their respective tenures, and in case the Company does not have any

profits or has inadequate profits in any financial year, to a remuneration (including salary and perquisites) not exceeding Rs. 10,00,000/- per month or Rs. 1,20,00,000/- per annum in the said financial year. The remuneration approved by the Board vide the aforesaid resolution is within the maximum limit of managerial remuneration (without the approval of the Central Government) prescribed under Section 197 read with Schedule V to the Companies Act, 2013. The Remuneration Committee of the Board approved the payment of the said remuneration to Shri. P.K. Jain and Shri. Bakul Jain by passing resolutions at the meeting held on May 19<sup>th</sup>, 2014. It is, therefore, proposed that the increased remuneration of Shri. P.K. Jain and Shri. Bakul Jain be approved by the shareholders of the Company at the forthcoming Annual General Meeting, in modification to the earlier resolutions passed by the shareholders of the Company in this regard.

The details of the revised remuneration, the period of appointment of each of Shri. P.K. Jain and Shri. Bakul Jain and the period for which the remuneration is payable, are set out below

|   | Manag- ing Di- rector | Period of Ap- point- ment                              | Period for which the revised sal- ary is pay- able          |
|---|-----------------------|--|---|
| 1 | Shri. P.K. Jain       | 3 years with effect from 1 <sup>st</sup> November 2011 | 1 <sup>st</sup> April 2014 to 31 <sup>st</sup> October 2014 |
| 2 | Shri. Ba- kul Jain    | 3 years with effect from 27 <sup>th</sup> July 2011    | 1 <sup>st</sup> April 2014 to 26 <sup>th</sup> July 2014    |

**Remuneration**

(a) **Salary:** Rs. 10,00,000/-

per month on and from 1<sup>st</sup> April 2014.

(b) **Perquisites:**

In addition to Salary, the Managing Director shall also be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with utilities thereof such as gas, electricity, water, furnishings and repairs; medical reimbursement and leave travel concession for himself and family; club fees, medical insurance etc. in accordance with the rules of the Company or as may be agreed to between the Board and the Managing Director; the amount of such perquisites to be restricted to Rs. 12,00,000/- per annum.

The Company shall provide the Managing Director, a car with a driver and telephone facility at his residence. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to the Managing Director.

(c) **Commission:**

Commission shall be paid in addition to the above Salary and Perquisites and shall be calculated with reference to the net profits of the Company in the relevant financial year as determined on



approval of the accounts subsequent to the year ending. The amount of such Commission shall be subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013 and shall be 25% of the difference between 10% of the net profits in that financial year and the aggregate of the salary and perquisites and benefits paid to the Managing Directors and the Whole - time Directors of the Company in that year.

- (d) If in any Financial Year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, he shall be entitled to receive and be paid remuneration in that year; Salary and Perquisites not exceeding Rs. 1,20,00,000/- per annum; or Rs. 10,00,000/- per month or such other limit as maybe prescribed by the Government from time to time in this regard, but shall not be entitled to any Commission. However, the Company's contribution to provident fund and superannuation fund or annuity fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. 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 the tenure shall not be included in the computation of ceiling on perquisites.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules, 1962 wherever applicable. In the absence of any such Income Tax Rules, 1962, perquisites shall be evaluated at actual cost.

The draft of the agreements between (i) the Company and Shri.P.K. Jain; and (ii) the Company and Shri. Bakul Jain, are open for inspection at the registered office of the Company during the office hours on all working days between 11.00 a.m. to 1.00 p.m except Saturday. Your directors recommend the resolutions at Item nos. 16-17 for your approval.

Shri.P. K. Jain and Shri. Bakul Jain are interested in the resolution set out in Item Nos. 16 and 17 of the Notice respectively, since those pertain to their respective increase in remuneration. Relatives of Shri. P. K. Jain may be deemed to be interested in the resolution set out at Item no. 16 of the Notice, to the extent of their shareholding interest, if any, in the Company. Relatives of Shri. Bakul Jain may be deemed to be interested in the resolution set out at Item no. 17 of the Notice, to the extent of their shareholding interest, if any, in the Company

Save and except the above, none of the other Directors or key managerial personnel of the Company or their relatives are in any way concerned or interested in the said resolution

#### Item no. 18

At the Annual General Meeting of the Company held on 24<sup>th</sup> November 2011, the shareholders of the Company had approved the appointment of Shri. P.K. Jain as the Managing Director of the Company for a period of 3 years with effect from 1<sup>st</sup> November 2011. At the extraordinary general meeting of the Company held on 19<sup>th</sup> December 2013, the shareholders of the Company approved the appointment and remuneration of Shri. P.K. Jain as the Managing Director, for a further period of 3 years with effect from 1<sup>st</sup> November 2014. As per the resolution passed by the shareholders at the aforesaid extraordinary general meeting, Shri. P.K. Jain is with effect from 1<sup>st</sup> November 2014 *inter alia* entitled to a salary of Rs. 7,50,000/- per month and perquisites not exceeding Rs. 12,00,000/- per annum, and in case the Company does not have any profits or has inadequate profits in any financial year, to a remuneration (including salary and perquisites) not exceeding Rs. 48,00,000/- per annum in such financial year. The remuneration for Shri. P.K. Jain was fixed based on the maximum limit on managerial remuneration (without the approval of the Central Government) prescribed under Section 198 read with Schedule XIII to the Companies Act, 1956.

Having regard to the knowledge and experience of Shri. P.K. Jain and the responsibilities shouldered by him, the Board accorded its approval vide a resolution at the meeting held on 19 May 2014, in supersession of its earlier resolution in this regard and subject to the approval of the shareholders of the Company, to appoint Shri. P.K. Jain as a Managing Director of the Company with effect from 1<sup>st</sup> November 2014, with *inter alia* salary of Rs. 10,00,000/- per month and perquisites not exceeding Rs. 12,00,000/- per annum, and in case the Company does not have



any profits or has inadequate profits in any financial year, a remuneration (including salary and perquisites) of not exceeding Rs. 10,00,000/- per month or Rs. 1,20,00,000/- per annum in such financial year. The remuneration approved by the Board vide the aforesaid resolution is within the maximum limit of managerial remuneration (without the approval of the Central Government) prescribed under Section 197 read with Schedule V to the Companies Act, 2013. The Remuneration Committee of the Board approved the payment of the said remuneration to Shri. P.K. Jain by passing a resolution at the meeting held on May 19, 2014. It is, therefore, proposed that the appointment of and remuneration to Shri. P.K. Jain as the Managing Director be approved by the shareholders of the Company at the forthcoming Annual General Meeting.

The detailed terms and conditions of re-appointment and remuneration of Shri. P.K. Jain as Managing Director are as follows:

- (a) **Period:** 3 years with effect from 1<sup>st</sup> November, 2014.
- (b) **Remuneration**
  - (i) Salary: Rs. 10,00,000/- per month.
  - (ii) Perquisites:

In addition to Salary, Shri. P.K. Jain shall also be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with utilities thereof such as gas, electricity, water, furnishings and repairs; medical reimbursement and leave travel concession for himself and family; club fees,

medical insurance etc. in accordance with the rules of the Company or as may be agreed to between the Board and Shri. P.K. Jain; the amount of such perquisites to be restricted to Rs. 12,00,000/- per annum.

The Company shall provide Shri. P.K. Jain, a car with a driver and telephone facility at his residence. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to Shri. P.K. Jain.

(iii) **Commission:**

Commission shall be paid in addition to the above salary and perquisites and shall be calculated with reference to the net profits of the Company in the relevant financial year as determined on approval of the accounts subsequent to the year ending. The amount of such Commission shall be subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013 and shall be 25% of the difference between 10% of the net profits in that financial year and the aggregate of the salary and perquisites and benefits paid to the Managing Directors and the Whole-time Directors of the Company in that year.

- (c) If in any Financial Year during the tenure of Shri. P.K. Jain, the Company has no profits or its profits are inadequate, he shall be entitled to receive and be paid remuneration in that year; salary and perquisites not exceeding Rs. 1,20,00,000/- per annum; or Rs. 10,00,000/- per month or such other limit as maybe prescribed by the Government from time to time in this regard, but shall not be entitled to any Commission. However, the Company's contribution to provident fund and superannuation fund or annuity fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. 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 the tenure shall not be included in the computation of ceiling on perquisites.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules, 1962 wherever applicable. In the absence of any such Income Tax Rules, 1962, perquisites shall be evaluated at actual cost.

Shri. P.K. Jain is a director of the Company since 1992, prior to which he



was the President. He is a Managing Director since 1996 and is in charge of the Soda Ash division of the Company. He is B.A. (Hons.), Economics. His contribution to the Company is very valuable. Having regard to his knowledge and experience in the industry and the responsibilities shouldered by him, remuneration proposed to be paid to him is fair and reasonable. The Board, therefore, recommends his re-appointment and payment of remuneration as mentioned above.

The draft of the agreement between the Company and Shri. P.K. Jain is open for inspection at the registered office of the Company during the office hours on all working days between 11.00 a.m. to 1.00 p.m except Saturday. Shri. P. K. Jain is interested in the resolution set out in Item No. 18 of the Notice, since it pertains to his appointment and remuneration.

The relatives of Shri. P. K. Jain may be deemed to be interested in the resolution set out at Item no. 18 of the Notice, to the extent of their shareholding interest, if any, in the Company

Save and except the above, none of the other Directors or key managerial personnel of the Company or their relatives are in any way concerned or interested in the said resolution

#### Item no. 19

At the Annual General Meeting of the Company held on 24 November 2011, the shareholders of the Company approved the appointment of Shri. Bakul Jain as the Managing Director of the Company for a period of 3 years with effect from 27<sup>th</sup> July 2011. At the extraordinary general meeting of the Company held on 19<sup>th</sup> December 2013, the shareholders of the Company approved the re-appointment and remuneration of Shri. Bakul Jain as the Managing Director, for a further period of 3 years with effect from 27<sup>th</sup> July 2014. As per the resolution passed by the shareholders at the aforesaid extraordinary general meeting, Shri. Bakul Jain is with effect from 27<sup>th</sup> July, 2014 *inter alia* entitled to a salary of Rs. 7,50,000/- per month and perquisites not exceeding or Rs. 12,00,000/- per annum, and in case the Company does not have any profits or or its profits are inadequate in any financial year, to a remuneration (including salary and perquisites) not exceeding Rs. 48,00,000/- per annum in such financial year. The remuneration of Shri. Bakul Jain was fixed based on the maximum limit on managerial remuneration (without the approval of the Central Government) prescribed under Section 198 of the 1956 Act read with Schedule XIII to the 1956 Act.

Having regard to the knowledge and experience of Shri. Bakul Jain and the responsibilities shouldered by him, the Board accorded its approval vide a resolution at the meeting held on May 19, 2014, in supersession of its earlier resolution in this regard and subject to the approval of the shareholders of the Company, to appoint Shri. Bakul Jain as a Managing Director of the Company with effect from July 27, 2014, with *inter alia* a salary of Rs. 10,00,000/- per month and perquisites not exceeding Rs. 12,00,000/- per annum, and in case the Company does not have any profits or has inadequate profits

in any financial year, a remuneration (including salary and perquisites) of not exceeding Rs. 1,20,00,000/- per annum in such financial year. The remuneration approved by the Board vide the aforesaid resolution is within the maximum limit of managerial remuneration (without the approval of the Central Government) prescribed under Section 197 read with Schedule V to the Companies Act, 2013. The Remuneration Committee of the Board approved the payment of the said remuneration to Shri. Bakul Jain by passing a resolution at the meeting held on May 19, 2014. It is, therefore, proposed that the appointment of and remuneration to Shri. Bakul Jain as the Managing Director be approved by the shareholders of the Company at the forthcoming Annual General Meeting.

The detailed terms and conditions of re-appointment and payment of remuneration of Shri. Bakul Jain as Managing Director are as follows:

- (a) **Period:** 3 years with effect from July 27, 2014.
- (b) **Remuneration**
  - (i) Salary: Rs. 10,00,000/- per month.
  - (ii) Perquisites:

In addition to the Salary, Shri. Bakul Jain shall also be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with utilities thereof such as gas, electricity, water, furnishings and repairs; medical reimbursement and leave travel concession for himself and family; club fees, medical insurance etc. in accordance with the rules of the Company or as may be agreed to between



the Board and Shri. Bakul Jain; the amount of such perquisites to be restricted to Rs. 12,00,000/- per annum.

The Company shall provide Shri. Bakul Jain, a car with a driver and telephone facility at his residence. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to Shri. Bakul Jain.

(iii) Commission:

Commission shall be paid in addition to the above salary and perquisites and shall be calculated with reference to the net profits of the Company in the relevant financial year as determined on approval of the accounts subsequent to the year ending. The amount of such Commission shall be subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013 and shall be 25% of the difference between 10% of the net profits in that Financial Year and the aggregate of the salary and perquisites and benefits paid to the Managing Directors and the Whole-time Directors of the Company in that year.

- (c) If in any Financial Year during the tenure of Shri. Bakul Jain, the Company has no profits or its profits are inadequate, he shall

be entitled to receive and be paid remuneration in that year; Salary and Perquisites not exceeding Rs. 1,20,00,000/- per annum; or Rs. 10,00,000/- per month or such other limit as maybe prescribed by the Government from time to time in this regard, but shall not be entitled to any Commission. However, the Company's contribution to provident fund and superannuation fund or annuity fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. 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 the tenure shall not be included in the computation of ceiling on perquisites.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules, 1962 wherever applicable. In the absence of any such Income Tax Rules, 1962, perquisites shall be evaluated at actual cost.

Shri. Bakul Jain holds a Master degree in management from IMD, Lausanne, Switzerland and has 29 years of experience in the industry. His contribution to the Company is very valuable. Having regard to his knowledge and experience in the industry and the responsibilities shouldered by him, remuneration proposed to be paid to him is fair and reasonable. The Board, therefore, recommends his re-appointment and payment of remuneration as mentioned above.

The draft of the agreement between the Company and Shri. Bakul Jain is open for inspection at the registered office of the Company during the office hours on all working days between 11.00 a.m. to 1.00 p.m except Saturday.

Shri. Bakul. Jain is interested in

the resolution set out in Item No. 19 of the Notice, since it pertains to his re-appointment and remuneration.

The relatives of Shri. Bakul. Jain may be deemed to be interested in the resolution set out at Item no. 19 of the Notice, to the extent of their shareholding interest, if any, in the Company

Save and except the above, none of the other Directors or key managerial personnel of the Company or their relatives are in any way concerned or interested in the said resolution

STATEMENT OF DISCLOSURE UNDER SCHEDULE V OF THE COMPANIES ACT, 2013:

(In relation to item Nos. 14 to 19 of the notice)

I. GENERAL INFORMATION :

(1) Nature of Industry :

The Company is engaged in the manufacture and sale of chemicals such as Soda Ash, Caustic Soda, Synthetic Rutile, PVC etc. It is also engaged in generation and sale of Power.

(2) Date or expected date of commencement of commercial production.

The Company commenced its business in the year 1939 i.e. the year in which it was incorporated.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable.

(4) Financial performance based on given indicators :





(Rs. In Lakhs)

| Financial Parameters  | 2011-12     | 2012-13     | 2013-14     |
|-----------------------|-------------|-------------|-------------|
| Total Revenue         | 1,18,991.99 | 1,33,068.79 | 1,32,686.63 |
| Total Expense         | 1,14,426.12 | 1,16,437.57 | 1,27,467.26 |
| Profit/Loss After Tax | 3,066.87    | 10,488.85   | 3,787.94    |
| Dividend Rate         | 18%         | 18%         | 18%         |

(5) Foreign Investments or collaborators, if any.

The foreign holding in the Company as on 30/06/2014 is 13.87% of the equity capital of the Company. The Company has two foreign collaborations, namely, Technical License and Support Agreement with Rockwood Italia SpA Socio Unico, Divisione Silo, Italy and Technical License Agreement with Arkema France, France.

II. INFORMATION ABOUT THE APPOINTEES :

(1) Background details –

Shri Bakul Jain is B.Com. from Bombay University and M.B.A. from IMD, Lausanne, Switzerland. He joined on the Board as Executive Director in 1996 prior to which he was President of the Company. Since 2006 he is a Managing Director of the Company.

Shri Pramod Kumar Jain is a Director of the Company since 1992 prior to which he was President. He is a Managing Director since 1996 and is in charge of the Soda Ash Division of the Company. He is B.A. (Hon.), Economics.

Mr. Mudit Jain is B. Com., M.B.A. (Wharton Business School, U.S.A.). Before his appointment as Managing Director, Mr. Mudit Jain was Executive Director of the Company. He is in charge of the Caustic Soda Division and

also overseas the Marketing operations of the Beneficiated Illmenite unit of the Company.

Mr. Vivek Jain is a MBA (Babsons College, USA) and MMS (Jamnalal Bajaj Institute of Management of Studies, Mumbai). Before his appointment as Managing Director, Mr. Vivek Jain was Sr. President of the Company. He is in-charge of the PVC division of the Company.

(2) Past remuneration –

a) Salary:

All Managing Directors (except Mr. Vivek Jain ) were paid a Salary Rs. 7,50,000/- per month. Mr. Vivek Jain was paid a salary of Rs. 3,50,000/- per month as Sr. President of the Company.

b) Perquisites:

In addition to Salary, Managing Directors (except Mr. Vivek Jain) were paid perquisites subject to maximum of Rs. 12,00,000/- per annum. Perquisites are evaluated as per the Income Tax Rules wherever applicable. In the absence of any such Rules, Perquisites are evaluated at actual cost.

Mr. Vivek Jain was paid following perquisites:

- Leave Travel Allowance Rs. 30,000/- per annum.
- Reimbursement of Medical Expenses : Rs. 45,000/- per annum.
- House Rent allowance: Rs. 25,000/- per annum.

Company provided a car with a driver and telephone facility at the residence. Provision of car for use on company's

business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of the car for private purpose shall be billed by the Company.

In case of loss or inadequacy of profit in any financial year each of the Managing Directors (except Mr. Vivek Jain) shall be paid salary and perquisite not exceeding Rs. 4,00,000/- per month, but shall not be entitled for any commission. For calculation of such perquisites, the Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. 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 the tenure shall not be included in the computation of ceiling on perquisites.

c) Commission:

Commission was paid to each of the Managing Directors (except Mr. Vivek Jain who was Sr. President) in addition to the above Salary and Perquisites and is calculated with reference to the net profits of the Company in the relevant financial Year as determined on approval of the accounts subsequent to the year ending. The amount of such Commission to each of the Managing Director shall be subject to the overall ceilings stipulated in Sections



197 and 198 of the Act and shall be twenty five percent of the difference between ten percent of the net profits in that financial year and the aggregate of the salary and perquisites and benefits paid to the Managing Directors and the Whole-time Directors in that year.

(3) Recognition / awards

Shri Bakul Jain is B.Com. from Bombay University and M.B.A. from IMD, Lausanne, Switzerland.

Shri P.K. Jain is a B.A. (Hon.) in Economics from Bombay University.

Mr. Mudit Jain is B.Com., M.B.A.(Wharten Business school, U.S.A.) He was the President of Alkali Manufacturers Association of India.

Mr. Vivek Jain is a MBA (Babsons College, USA) and MMS (Jamnalal Bajaj Institute of Management of Studies, Mumbai). He is the Chairman of the Royal Western India Turf Club Ltd., Mumbai.

(4) Job profile and his suitability

Shri Bakul Jain - Shri Bakul Jain was appointed as an Executive Director in 1996 prior to which he was President of the Company. He became Managing Director in 2006. He is in charge of new projects and diversifications. Under his able leadership the Company has also set-up a 2x25 MW Thermal Co-generation plant at its Works at Sahapuram, Tamilnadu, making the Company not only self-sufficient in its power requirements but also having surplus power to sell to Electricity Boards/ third parties. He also increased the installed capacity of the Company's Synthetic Rutile Plant from 25000 TPA to

48000 TPA. Considering the qualification, experience, management capabilities and the contribution made, his continued service will enable the Company to progress further.

Shri P.K. Jain - Shri P.K. Jain joined the service of the Company as President in 1969. He was appointed as Wholetime Director in the year 1992 and became Managing Director in 1996. Under his able leadership, the capacity of Soda Ash Plant at Dhrangadhra has been increased from 65,000 TPA to 96,000 TPA in the year 1992-93. He is in charge of the Soda Ash Division of the Company. Considering his vast knowledge and experience especially in Soda Ash Industry, his continuation in the service is in the best interest of the Company.

Shri Mudit Jain - Shri Mudit Jain is in charge of the Caustic Soda Division and also overseas the marketing operation of the Beneficiated Ilmenite unit of the Company. He is with the Company since 1989 and prior to his appointment as Managing Director he was Executive Director of the company. He was instrumental in converting the Caustic Soda Unit from Mercury Cell Technology to Membrane Cell Technology which resulted an increase in the installed capacity of the Caustic Soda Unit from 60,000 TPA to 1,00,000 TPA. This also resulted in substantial reduction in the consumption of power. He was also instrumental in entering into long term contracts with overseas parties for the supply of synthetic Rutile. Considering the qualification, experience and the contribution made to the Company, his continued service as Managing Director will enable the Company to

progress further.

Shri Vivek Jain – Shri Vivek Jain is in-charge of the PVC division of the Company. He is with the company since 1984 and prior to his appointment as Managing Director he was Sr. President of the Company. He was instrumental in expansion of the PVC capacity. Under his leadership the company is now setting up Chlorinated Poly Vinyl Chloride Project in its Sahapuram Works. Considering the qualification, experience and the contribution made to the Company, his continued service as Managing Director will enable the Company to progress further.

(5) Remuneration Proposed

| Name of the Director   | Proposed Salary per month (Rs.) | Perquisites Per annum |
|------------------------|---------------------------------|-----------------------|
| Shri Bakul Jain        | 10,00,000/-                     | 12,00,000*            |
| Shri Pramod Kumar Jain | 10,00,000/-                     | 12,00,000*            |
| Shri Mudit Jain        | 10,00,000/-                     | 12,00,000*            |
| Shri Vivek Jain        | 10,00,000/-                     | 12,00,000*            |

\* Perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such Rules, Perquisites shall be evaluated at actual cost.

Company shall provide a car with a driver and telephone facility at the residence. Provision of car for use on company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of the car for private purpose shall be billed by the Company.

Commission :

Commission shall be paid in addition to the above Salary and Perquisites and shall be calculated with reference to the net profits of the Company in the relevant financial Year as determined on approval of the accounts subsequent to the year ending. The amount of such Commission to each of the Managing



Directors shall be subject to the overall ceilings stipulated in Sections 197 & 198 of the Act and shall be twenty five percent of the difference between ten percent of the net profits in that financial year and the aggregate of the salary and perquisites and benefits paid to the Managing Directors and the Whole-time Directors in that year.

#### Minimum Remuneration.

If in any financial year during the tenure of the aforesaid Managing Directors, the Company has no profits or its profits are inadequate, they shall be paid the salary and perquisite not exceeding Rs.10,00,000/- per month as remuneration but shall not be entitled for any commission. For calculation of perquisites, company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. 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 the tenure shall not be included in the computation of ceiling on perquisites.

- (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin)

Considering the general Industry and the specific company profile, the proposed remuneration is in line with the Industry levels and that of comparatively placed

Companies in India.

- (7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any

The Managing Directors have pecuniary relationship with the Company in their capacity as Managing Directors and all of them are also Promoters of the Company.

#### III Other Information:

1. Reasons for loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms.

The Company has been profitable for the last many years. The Company expects to continue to drive profitability and appropriate steps, as possible, are being taken to ensure profitability in the coming years. This disclosure is only an enabling disclosure for payment of remuneration in the unlikely scenario of loss/inadequacy of profits.

#### IV Disclosures

The proposed remuneration package of the aforesaid Managing Directors are detailed above. The Corporate Governance Report which forms a part of the Directors' Report contains details of remuneration paid to all Directors.

#### Item No. 20

Currently, the Articles of Association

of the Company have been prepared in the form prescribed in table 'A' of the Companies Act, 1956. Under the Companies Act, 2013, the form in which a company limited by shares is required to prepare its articles of association has been set out under table 'F' of the Companies Act, 2013, which is different from the form prescribed under table 'A' of the Companies Act, 1956. At the meeting held on May 19, 2014, the Board accorded its approval, subject to the approval of the shareholders of the Company, to adopt new Articles of Association of the Company in order to align the same with table 'F' of the Companies Act, 2013. It is, therefore, proposed that the new Articles of Association of the Company be adopted by the shareholders of the Company at the forthcoming Annual General Meeting.

Additionally, as per Section 203 of the Companies Act, 2013, an individual cannot be appointed or re-appointed as the Chairperson of a company, as well as the Managing Director or Chief Executive Officer of the company, at the same time, unless the articles of association of the company provide otherwise. In order to enable a Managing Director or a Chief Executive Officer of the Company to be appointed as the Chairperson of the Company during the tenure of such Managing Director or Chief Executive Officer, as the case maybe the following has also been incorporated in the new set of the Articles of Association of the Company :

"Any individual who has been appointed as the Managing Director or Chief Executive Officer of the Company, may, during his tenure as the Managing Director or Chief Executive Officer, as the case maybe, be appointed or reappointed as the chairperson of the Company."



A copy of the Memorandum and new Articles of Association of the Company is available for inspection at the registered office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m except Saturdays .

Your directors recommend the resolution as at item no. 20 for your approval.

None of the directors or key managerial personnel of the Company or their relatives are concerned or interested in the resolution.

#### Item No. 21

In order to meet the funding requirements of the Company, it is proposed that equity shares of the Company be issued to following members (collectively the Promoters) on preferential basis, at a price of Rs. 27 per equity share (including a premium of Rs. 25 per equity share), in such manner and on such terms of conditions as prescribed under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2009 (ICDR Regulations) and in compliance with Section 42 and Section 62 and other applicable provisions of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014. The Board, at the meeting held on 18 June 2014, accorded its approval to the said preferential issue of equity shares. The issue price of the equity shares has been determined in accordance with the ICDR Regulations.

Section 62 of the Companies Act, 2013 provides that when a company proposes to increase its issued capital by allotment of further shares, etc.,

such further shares are to be offered to the existing shareholders of the Company in the manner laid down in the said section unless the shareholders in a general meeting decide otherwise by passing a special resolution. The special resolution proposed at item no. 21 will, if passed, enable the Board on behalf of the Company to allot equity shares on a preferential basis to the Promoters, as permitted under Section 62(c) of the Act and the rules made thereunder (read with Section 42 of the Companies Act, 2013 and the rules made thereunder).

The Information as required under Regulation 73 of the ICDR Regulations for preferential issues is as under:

- (a) Object of the issue:  
Part finance for the ongoing projects of the Company.
- (b) Relevant Date with reference to which the price has been arrived at:  
'Relevant Date' under Regulation 71 of the ICDR Regulations in relation to the proposed preferential issue to the Promoters is Monday, July 14, 2014, which is the date thirty days prior to the date of the forthcoming Annual General Meeting where the proposed preferential issue is being considered for approval.
- (c) The proposal of the promoters, directors or key managerial personnel of the Company to subscribe to the proposed preferential offer

The Promoters/Directors will be subscribing to the proposed issue as mentioned hereinbelow

- (d) Proposed time within which the preferential issue shall be completed

The allotment of equity shares shall be completed within a period of fifteen days from the date of passing of the special resolution of the shareholders at the forthcoming Annual General Meeting.

Provided that, if any approval or permission is required from any regulatory authority or the Central Government while the allotment is pending, the period of fifteen days shall be counted from the date of such approval or permission

- (e) The identity of the natural persons who are the ultimate beneficial owners of shares and all who control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the Company consequent to



the preferential issue:

| S r . No. | Identity of the proposed allottees                         | No. of shares proposed to be issued | Post allotment shareholding | % of shareholding post issue |
|-----------|--|-------------------------------------|-----------------------------|------------------------------|
| 1.        | Shri. P.K. Jain & Smt. Usha P. Jain                        | upto 8,70,000 equity shares         | 5886125                     | 2.71                         |
| 2.        | Smt. Usha P. Jain & Shri. P.K.Jain                         | upto 3,55,000 equity shares         | 4075545                     | 1.88                         |
| 3.        | Shri. Bakul Jain & Smt. Paulomi Jain & Smt. Durgavati Jain | upto 12,25,000 equity shares        | 8115908                     | 3.74                         |
| 4.        | Shri. Mudit Jain   | upto 12,25,000 equity shares        | 3725498                     | 1.72                         |
| 5.        | Shri. Vivek Jain & Smt. Meeta Jain                         | upto 12,25,000 equity shares.       | 5696487                     | 2.63                         |
| 6.        | Sahu Brothers Pvt. Ltd.                                    | upto 21,00,000 equity shares        | 52248156                    | 24.10                        |

[Note: the number of shares, post allotment shareholding and % of shareholding post issue has been set out in the above table on the assumption that up to 70,00,000 shares shall be allotted by the Company to the Promoters. In the event the actual number of shares allotted to the Promoters by the Board is less than 70,00,000 shares, the details of the number of shares, post allotment shareholding and % of shareholding post issue set out in the above table in relation to each Promoter shall change accordingly.]

Out of the shareholders set out in the table above, Sahu Brothers Private Limited is a corporate entity and shareholders in Sr. Nos. 1 to 5 and Dr. Shashi Chand Jain, Smt. Neera Jain, Smt. Vandana Jain, Shri Ashish Jain, and Ms. Sonalika Jain, are natural persons who hold shares in Sahu Brothers Pvt. Ltd and are ultimate beneficial owners in and who control Sahu Brothers Private Limited. The proposed preferential issue to the Promoters will not result in change in control of the Company.

(f) The pre issue and post issue shareholding pattern of the Company :

| Category Code                                   | Category of Shareholder        | Pre Issue (as on 30.06.2014) |       | Post Issue |       |
|---|--------------------------------|------------------------------|-------|------------|-------|
|   |                                | No                           | %     | No.        | %     |
| (A) Shareholding of Promoter and Promoter Group |                                |                              |       |            |       |
| 1. INDIAN                                       |                                |                              |       |            |       |
| (a)   | INDIVIDUAL / HUF               | 44586099                     | 21.26 | 49486099   | 22.82 |
| (b)   | CENTRAL / STATE GOVERNMENT(S)  | 0                            | 0.00  | 0          | 0.00  |
| (c)   | BODIES CORPORATE               | 53694486                     | 25.59 | 55794486   | 25.74 |
| (d)   | FINANCIAL INSTITUTIONS / BANKS | 0                            | 0.00  | 0          | 0.00  |
| (e)   | ANY OTHERS (Specify)           | 0                            | 0.00  | 0          | 0.00  |
| TOTAL (A) :                                     |                                | 98280585                     | 46.85 | 105280585  | 48.56 |
| 2. FOREIGN                                      |                                | 0                            | 0.00  | 0          | 0.00  |



|  |  |           |        |           |        |
|--|--|-----------|--------|-----------|--------|
| Total holding for Promoters and Promoter group :                                     |  | 98280585  | 46.85  | 105280585 | 48.56  |
| <b>(B) Public shareholding</b>   |  |           |        |           |        |
| 1. INSTITUTIONS  |  |           |        |           |        |
| (a)  | FOREIGN FINANCIAL INSTITUTIONS / BANKS | 42225     | 0.02   | 42225     | 0.02   |
| (b)  | MUTUAL FUNDS / UTI                     | 18705     | 0.01   | 18705     | 0.01   |
| (c)  | FINANCIAL INSTITUTIONS / BANKS         | 243038    | 0.12   | 243038    | 0.11   |
| (d)  | CENTRAL / STATE GOVERNMENT(S)          | 0         | 0.00   | 0         | 0.00   |
| (e)  | VENTURE CAPITAL FUNDS                  | 0         | 0.00   | 0         | 0.00   |
| (f)  | INSURANCE COMPANIES                    | 8466415   | 4.03   | 8466415   | 3.91   |
| (g)  | FII'S                                  | 16448377  | 7.84   | 16448377  | 7.59   |
| SUB TOTAL (B) (1)  |  | 25218760  | 12.02  | 25218760  | 11.64  |
| B 2. Non - institutions  |  |           |        |           |        |
| (a)  | (BODIES CORPORATE)                     | 11826410  | 5.64   | 11826410  | 5.45   |
| (b)  | (INDIVIDUALS)                          |           |        |           |        |
| (i)  | (CAPITAL UPTO RS. 1 LAKH)              | 48605943  | 23.17  | 48605943  | 22.41  |
| (ii)   | (CAPITAL GREATER THAN RS. 1 LAKH)      | 133333769 | 6.36   | 133333769 | 6.15   |
| (c)  | QUALIFIED FOREIGN INVESTOR             | 0         | 0.00   | 0         | 0.00   |
| (d)  | ANY OTHERS (Specify)                   | 0         | 0.00   | 0         | 0.00   |
| (i)  | TRUSTS                                 | 20850     | 0.01   | 20850     | 0.01   |
| (ii)   | CLEARING MEMBERS                       | 2657265   | 1.26   | 2657265   | 1.23   |
| (iii)  | NON RESIDENT INDIAN (NRI)              | 1313403   | 0.63   | 1313403   | 0.61   |
| (iv)   | OVERSEAS BODIES CORPORATE              | 5760218   | 2.74   | 5760218   | 2.66   |
| SUB TOTAL (B) (2):   |  | 83517858  | 39.81  | 83517858  | 38.52  |
| Total public Share holding (B) = (B) (1) + (B) (2)                                   |  | 108736618 | 51.83  | 108736618 | 50.16  |
| Total (A) + (B)  |  | 207017203 | 98.68  | 207017203 | 98.72  |
| (C) Shares held by Custodians and against which Depository Receipts have been issued |  | 2773750   | 1.32   | 2773750   | 1.28   |
| Grand Total (A) + (B) + (C)  |  | 209790953 | 100.00 | 216790953 | 100.00 |



*Note: The pre-issue and post issue shareholding pattern has been set out in the above table on the assumption that up to 70,00,000 shares shall be allotted by the Company to the Promoters. In the event the actual number of shares allotted to the Promoters by the Company is less than 70,00,000 shares, the pre-issue and post issue shareholding pattern shall change accordingly.]*

- (g) An undertaking that the issuer shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so:

The Company hereby undertakes that it shall re-compute the price of the equity shares issued on preferential basis to the Promoters if required.

- (h) An undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in the ICDR Regulations, the specified securities shall continue to be locked – in till the time such amount is paid by the Allottees.

The Company hereby undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in the ICDR Regulations, the specified securities shall continue to be locked – in till the time such amount is paid by the Promoters.

- (i) Lock-in

The shares to be allotted to the Promoters pursuant to the proposed preferential issue shall be locked-in from such date and for such period as specified under the ICDR Regulations.

- (j) Auditors Certificate

As required under Regulation 73(2) of the ICDR Regulations, a copy of a certificate from M/s. V. SankarAiyar & Co, the statutory auditors of the Company certifying that the issue is being made in accordance with the ICDR Regulations, will be placed before the shareholders at forthcoming Annual General Meeting, where the proposed preferential issued to the Promoters will be considered for approval.

Basis for price – required under Companies (Prospectus and Allotment of Securities) Rules, 2014

The Company is a listed company, and therefore the price of equity shares proposed to be issued to the Promoters has been arrived in accordance with the provisions of Chapter VII of the ICDR Regulations.

Your directors recommend the resolution as at Item No.21 for your approval.

Shri. P. K. Jain, Shri Bakul Jain, Shri. Mudit Jain, Shri. Vivek Jain, Managing Directors and their relatives to the extent of their subscription to the above proposed Preferential Issue shall be deemed to be concerned or interested in the Resolution.

None of the other directors or key managerial personnel of the Company or their relatives are concerned or interested in the resolution.

#### Item No. 22

The Board, on the recommendation of the Audit committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost record of the Company for the financial year ending March 31, 2015, details of which are set out below:

| Sr. No | Name of the Cost Auditor | Industry                 | Audit Fees (Rs.)                             |
|--------|--------------------------|--------------------------|--|
| 1      | Nanabhoy & Company       | Chemicals (Caustic Soda) | 75,000/- (Rupees Seventy Five Thousand only) |
| 2      | N. D. Birla & Company    | Chemicals ( Soda Ash)    | 45,000/- (Rupees Forty Five Thousand only)   |

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 22 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.



None of the Directors/ Key Managerial Personnel of the Company their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 22 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 22 of the Notice for approval by the shareholders.

**By Order of the Board of Directors**

**Jigna Karnick**  
**Dy. Company Secretary**

Mumbai, June 18, 2014





## Corporate Directory

### BOARD OF DIRECTORS

Dr. Shashi Chand Jain  
Chairman Emeritus

Shri. Pramod Kumar Jain  
Chairman and Managing Director

Shri. Bakul Jain  
Managing Director

Shri. Vivek Jain  
Managing Director

Shri Mudit Jain  
Managing Director

Shri Sodhsal Sing Dev of Dhrangadhra  
Ms. Sujata Rangnekar  
Shri D. Ganapathy  
Shri Salil Kapoor

### BANKERS

Punjab National Bank  
State Bank of India  
City Union Bank Ltd.  
ING Vysya Bank Ltd.

### AUDITORS

V. Sankar Aiyar & Co.,  
Chartered Accountants, Mumbai.

### REGISTERED OFFICE

Dhrangadhra – 363 315, Gujarat.

### HEAD OFFICE

“Nirmal” 3<sup>rd</sup> Floor,  
Nariman Point,  
Mumbai – 400 021.

### BRANCH OFFICE

Indra Palace, 1<sup>st</sup> Floor,  
H-Block, Connaught Circus,  
New Delhi – 110 001.

### WORKS

- Soda Ash Division** : Dhrangadhra – 363 315,  
Gujarat.
- Caustic Soda Division** : Arumuganeri P.O.,  
Sahupuram – 628 202,  
Tamil Nadu.
- PVC Division** : Arumuganeri P.O.,  
Sahupuram – 628 202,  
Tamil Nadu.
- Salt Works** : Kuda, Gujarat.  
: Arumuganeri P.O.,  
Sahupuram 628 202,  
Tamil Nadu.

---

75<sup>th</sup>  
**Annual Report**  
**2013 – 2014**

---

**Note** :The Balance Sheet, Profit and Loss Account and Key Financial Data are also presented in US \$ on Page Numbers 19, 20 & 21 respectively.



## TO THE MEMBERS

Your Directors present their 75<sup>th</sup> Annual Report and Audited Accounts for the Financial Year ended 31st March, 2014 -

### 1. Financial Results

|   | 31-3-2014<br>(Rs. in lacs) | 31-3-2013<br>(Rs. in lacs) |
|---|----------------------------|----------------------------|
| Net Sales                                   | 132555.21                  | 132779.96                  |
| Gross Profit                                | 10321.29                   | 21331.90                   |
| Less : Provisions                           |                            |                            |
| Depreciation                                | 5101.92                    | 5290.88                    |
| Profit Before Tax                           | 5219.37                    | 16041.02                   |
| Tax: Current Period                         | 1107.81                    | 3255.00                    |
| Previous Period                             | (86.63)                    | 12.67                      |
| MAT Credit available for set off / Utilized | (84.59)                    | 371.00                     |
|   | <u>936.59</u>              | <u>3638.67</u>             |
| Profit After Current Tax & Tax Adjustments  | 4282.78                    | 12402.35                   |
| Deferred Tax                                | 494.84                     | 1913.50                    |
| Profit after Tax                            | <u>3787.94</u>             | <u>10488.85</u>            |
| Add: Balance brought forward                | 7897.02                    | 2291.81                    |
| Profit available for Appropriation          | <u>11684.96</u>            | <u>12780.66</u>            |
| Appropriations:                             |                            |                            |
| General Reserves                            | 2500.00                    | 4000.00                    |
| Proposed Dividend                           | 755.25                     | 755.25                     |
| Dividend                                    | 128.35                     | 128.39                     |
| Distribution Tax                            |                            |                            |
| Balance carried forward                     | <u>8301.36</u>             | <u>7897.02</u>             |

### 2. Dividend:

Your Directors recommend payment of Dividend at Re.0.36 per equity share of Rs. 2 each.

### 3. Operations:

The sales for the year are Rs.1325.55 crores compared to Rs.1327.80 crores in the previous year. The Gross Profit for the year (before depreciation) is Rs.103.21 crores against Rs.213.32 crores in previous year. The profit before tax amounted to Rs.52.19 crores as against Rs.160.41 crores in the previous year. The profit after provision of current tax is Rs.42.83 crores against Rs.124.02 crores, of last year and profit after deferred tax is Rs.37.88 crores against Rs.104.89 crores of last year, Deferred Tax is only a provision as

## Directors' Report

per accounting guidelines and not an outflow.

Lower realization on export of Synthetic Rutile has largely affected decline in profits

### 4. Exports:

The Company's exports are Rs. 223.36 crores as compared to Rs. 417.61 crores in the previous year. This reduction in Export Turnover is on account of decrease in realization on Synthetic Rutile.

### 5. Divisionwise Performance:

#### a) PVC Division:

The turnover of the division is Rs.533.04 crores as compared to Rs.431.29 crores in the previous year, an increase in turnover by 24%. The increase in turnover is on account of better realization on PVC. The demand for PVC continues to show positive growth. The Government has identified irrigation, power and infrastructure, as thrust areas and increased activity in these sectors are likely to boost demand of PVC Resin.

#### b) Caustic Soda Division:

The turnover of the division is Rs. 533.04 crores as compared to Rs.697.80 crores in the previous year, a decrease of 24%. The reduction in turnover of the division is mainly on account of decrease in realization on Synthetic Rutile.

### c) Soda Ash Division:

The turnover of the division is Rs.177.66 crores as compared to Rs.183.55 crores in the previous year. The decrease in turnover in the division is due to reduction in quantity of the product sold manufactured by the division.

## 6. PROJECTS IMPLEMENTED AND UNDER IMPLEMENTATION

### 6.1 Projects Under Implementation

#### 6.1.1. SYNTHETIC IRON OXIDE PIGMENT AND CALCIUM CHLORIDE PROJECT :-

The work on Synthetic Iron Oxide Pigment (SIOP) project is in advanced stage of completion. Trial runs for Synthetic Iron Oxide Pigment have started and the plant will stabilize soon. Technical and Engineering Services for the plant has been provided by UHDE India Ltd. The facility will enable the company to produce a commercially viable product utilise its waste. Calcium Chloride and Pure Water will be recovered from the effluent of Synthetic Iron Oxide Pigment Plant.

Both Synthetic Iron Oxide Pigment and Calcium Chloride facility have been given 100% EOU status.

Besides employing DCW's in-house developed technology, the company has made an agreement with Rockwood Italia (Group Company of Rockwood Pigments' USA) for manufacture of red iron oxide pigment.

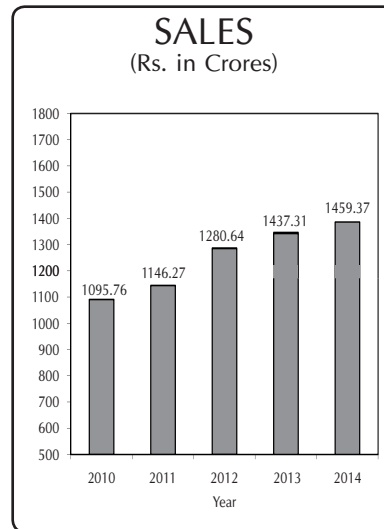
An off take agreement has been signed with Rockwood Italia for purchase of 50% iron oxide pigment Balance 50% of the product can be sold at company's option.

#### 6.1.2. PVC Automation-Cum-Balancing Equipment Program

Under PVC Automation-Cum-Balancing Equipment program the company has commissioned VCM Stripping tower and Fluidised Bed Dryer (FBD) at its PVC unit in Sahupuram, Tamilnadu. This will help the company in reducing the cost of the product and increase in PVC production.

#### 6.1.3. Chlorinated Poly Vinyl Chloride (C-PVC)

The Company has signed





Technology License agreement with Arkema of France for putting up Chlorinated Poly Vinyl Chloride (C-PVC) Plant at its Sahupuram Facility, in Tamilnadu. The UHDE India, has been appointed to do detailed engineering for the project. The work on this project has started and mechanical erection of the plant is estimated to be completed by fourth quarter of 2014-15.

#### 6.1.4. Producer Gas Plant :-

The company has established Producer Gas Plant at its Sahupuram unit, in Tamilnadu, to produce gas from coal the trial runs of the same have started. This will help the company to replace high cost Furnace Oil, resulting in lower cost of heating in various manufacturing units of the company at its Sahupuram works.

#### 6.1.5. Reverse Osmosis Plant (RO) :-

To meet ever increasing water requirement of company's Shupuram unit, in Tamilnadu, and to guard against water scarcity in case of scanty rains, the company has established a Reverse Osmosis (R.O), plant to recycle hard / used water back into the process. This project has been commissioned and will help the company meet water requirement of its Sahupuram unit.

#### 6.1.6. CALCIUM CHLORIDE PLANT, DHARAGHANDRA

The Calcium Chloride project is having technical problem. It may not be possible to produce calcium chloride in the plant and the equipments erected for this plant are being used in the soda ash plant.

#### 7. Corporate Governance

The report on Corporate Governance is annexed to this report.

#### 8. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 is set out in the Annexure forming part of this Report.

#### 9. Particulars of Employees:

Information in accordance with Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is set out in the Annexure forming part of this Report.

#### 10. Environment and Safety Measures

The Company is committed to Industrial Safety and Environment Protection and these are on going processes at the Company's various plants. The Sahupuram Unit has been granted ISO 14001 Certificate for complying with environment protection and safety.

#### 11. Directors:

Shri. Bakul Jain, Director, retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer himself for reappointment.

Shri. Vivek Jain was appointed as an Additional Director and will hold office upto the date of forthcoming Annual General Meeting. The company has received notice from Director signifying his intention to propose his appointment as Director retiring by rotation.

Shri. Salil Kapoor was appointed as an Additional Director and will hold office upto the date of forthcoming Annual General Meeting. The Company has received notice from a member signifying his intension to proposr Shri. Salil kapoor as an Independent Director of period of five consecutive years. Resolutions have been incorporated in the notice of the forth comming Annual General Meeting for appointment of Shri. Vivek Jain as a Director retiring by rotation and Shri. Salil Kapoor, as an Independent Director for a period of 5 consecutive years

In terms of Section 149 of the Companies Act, 2013, the present Directors Shri. Sodshal Singh Dev of Dhrangadhra, Ms.Sujata Rangenekar and Shir. D.Ganapathy are proposed to be appointed as Independent Directors for a Consequetive period of 5 years at the forthcoming Annual General Meeting and resolutions for the

said purpose are incorporated in the notice of the said Annual General Meeting.

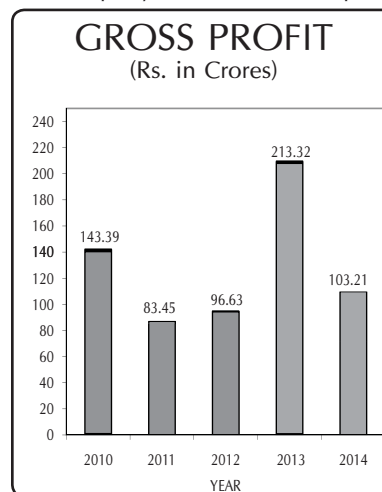
During the year Dr.S.C.Jain, Managing Director since 44 years and also the Chairman of the Board since 30 years, has resigned as Managing Director and Director on 28th February, 2014. During his long tenure he made immense contributions for the growth of the Company and spearheaded many projects which are today the backbone of the Company. The Board places on record its appreciation for the outstanding contributions made by him over several decades and unanimously appointed him as Chairman Emeritus of the Company and also a permanent invitee for all Board Meetings. Also Shri.Berjis Desai, Shri. F.H.Tapia, Shri.S.K.Jalan and Shri. R.V.Ruia, have resigned from the Board during the year. The Board places on record its appreciation for the valuable services rendered by them during their tenure.

#### 12. Auditors and Auditors' Report:

M/s V. Sankar Aiyar & Co., Chartered Accountants - Statutory Auditors of the Company retire at the forthcoming Annual General Meeting and are eligible for reappointment.

#### 13. Cost Audit:

In accordance with the directions received from the Department of Company Affairs, the company





has appointed M/s. N.D.Birla & Company, Ahmedabad and M/s.R.Nanabhoy & Company, Mumbai for conducting the Cost Audit of the Company's Soda Ash and Caustic Soda Divisions respectively for the financial year 2012-13. Their appointments were approved by the Ministry of Corporate Affairs. They have conducted the cost audit for the financial year 2012-13 of respective divisions and have filed the cost audit report with the central government.

**14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT OUTLOOK :**

The Company has diversified operations with three business segments viz. PVC, Chloro Alkali and Soda Ash. It is thus reasonably protected from the vagaries of individual business cycles of these products.

**PVC Division:**

The Company, one of the country's five producers of PVC resin, has maintained its market share of nearly 7%. Proposed implementation of Anti-dumping duty on PVC resin imports from China, USA, Mexico, European Union, Indonesia will protect the domestic industry against dumping of PVC resin from these countries. Also automation programme in this unit will help the company in reducing cost and increasing production on this division.

**Caustic Soda Division:**

The Company continues to be a major player in South India with a market share of approximately 20%. The demand for caustic soda is expected to grow at a steady rate, specially with increased demand from alumina manufacturers. The company has captive use of HCL & Chlorine which helps to maintain Caustic Production at full level.

**Soda Ash Division:**

The Soda Ash Industry continues to grow at a compounded rate of 4% - 5% per annum and this trend is expected to continue. Antidumping duty imposed on import of Soda Ash from countries like Iran, Pakistan, China, Ukraine, Kenya, European Union and the

US by Govt., of India, will protect the industry against dumping of Soda Ash from these countries.

**15. Internal Control Systems:**

The Company has an adequate internal control procedure commensurate with the nature of its business and size of its operations. Internal Audit is conducted on a regular basis by a reputed firm of Chartered Accountants.

The reports of the internal audit along with comments from the management are placed for review before audit committee.

**16. Human Resources:**

The Company has been following procedure for recruitment of best personnel for all the departments and is making continuous efforts to retain and groom them to meet its present and future requirements. The Company sponsors employees for various seminars on finance, operations, marketing and human resource development to update their skills and develop close co-ordination with their counterparts in industries. This is basically done to enhance their skills in order to achieve an optimum output from them.

**17. Cautionary Note:**

Statement in this report describing the company's objectives, projections, estimates, expectations and predictions may be "forward looking statements". Actual results could differ materially from those expressed or implied due to

variation in prices of raw materials, demand and realization of finished goods, changes in Government regulations, tax regimes, economic developments and other incidental factors.

**18. DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 217 (2AA) of the Companies Act, 1956, your Directors have:

- a) Followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures;
- b) Selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of financial year and of the profit of your Company for that period;
- c) Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities and
- d) Prepared the Annual Accounts on a going concern basis.

**19. Insurance**

All the properties of the Company are adequately insured.

**20. Industrial Relations:**

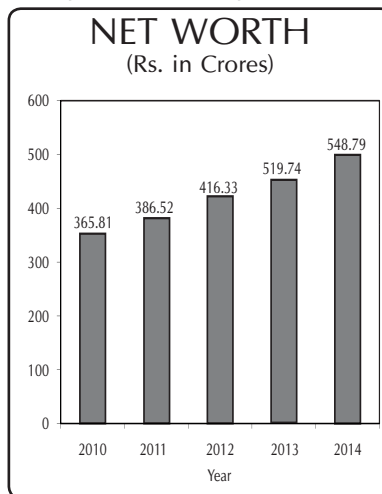
The relations between the employees and the management were cordial and an atmosphere of understanding prevailed throughout the year.

**21. Acknowledgement:**

The Board places on record their grateful appreciation for the assistance and co-operation received from the Financial Institutions and the Banks.

On behalf of the Board of Directors

**Pramod Kumar Jain**  
Chairman and Managing Director  
Mumbai, 19<sup>th</sup> May'2014





## ANNEXURE TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

### A. MANDATORY REQUIREMENTS

#### 1. Company's philosophy on Code of Corporate Governance

The Company believes in the practice of good Corporate Governance. A continuous process of delegation of powers commensurate with accountability coupled with trust, faith and transparency has been embedded in the day to day functioning. The Company will endeavor to improve on these aspects on an ongoing basis.

#### 2. Board of Directors:-

##### • Size of the Board

The Board of Directors of the Company consists of 8 Directors.

- **Composition, category and their attendance at the Board meetings during the year and at the last Annual General Meeting and also the number of other Directorships / Memberships of Committees are as follows:**

| Category of Directorship                   | Name of the Director                                       | Attendance Particulars at the |          | Other Directorships | Other Committee |                |
|--|--|-------------------------------|----------|---------------------|-----------------|----------------|
|  |  | Board Meetings                | Last AGM |                     | Member-ships    | Chairman-ships |
| Promoter/<br>Executive Directors           | Dr. Shashi Chand Jain*<br>(Chairman Emeritus)              | 7                             | No       | 2                   | -               | -              |
|  | Shri Pramod Kumar Jain**<br>(Chairman & Managing Director) | 7                             | Yes      | 1                   | -               | -              |
|  | Shri Bakul Jain (Managing Director)                        | 6                             | No       | 2                   | -               | 1              |
|  | Shri Mudit Jain+<br>(Managing Director)                    | 7                             | No       | 1                   | -               | -              |
|  | Shri Vivek Jain++<br>(Managing Director)                   | 1                             | No       | 2                   | -               | -              |
| Non Executive and<br>Independent Directors | Shri Sodhsal Singh Dev of<br>Dhrangadhra#                  | 7                             | Yes      | -                   | -               | 2              |
|  | Shri Salil Kapoor##  | 2                             | No       | -                   | -               | -              |
|  | Shri F.H. Tapia@   | 3                             | No       | -                   | -               | -              |
|  | Shri Sushil K. Jalan\$                                     | 1                             | No       | -                   | -               | -              |
|  | Shri R. V. Ruia@@  | 4                             | No       | 3                   | -               | -              |
|  | Shri Berjis Desai\$\$                                      | 4                             | No       | 9                   | -               | 3              |
|  | Smt. Sujata Rangnekar                                      | 7                             | No       | -                   | -               | -              |
| Shri D. Ganapathy                          | 5  | No                            | 2        | -                   | 2               |                |

\*Resigned from Board w.e.f. February 28, 2014

\*\*Appointed as Chairman of the Board w.e.f February 28, 2014

+Appointed as Managing Director w.e.f March 1, 2014

++Appointed as an Additional Director and Managing Director w.e.f March 1, 2014

#Shri Sodhsal Singh Dev of Dhrangadhra is holding 55000 Equity Shares of the Company

## Appointed as an Additional Director w.e.f. October 23, 2013

@Resigned from the Board w.e.f September 23, 2013

\$Resigned from the Board w.e.f October 23, 2013

@@Resigned from the Board w.e.f October 23, 2013

\$\$Shri Berjis Desai Resigned from the Board w.e.f August 21, 2013 and is holding 90,000 Equity Shares of the Company

Dr. S.C. Jain, and Shri Vivek Jain are related to each other Dr. S.C. Jain and Shri P.K. Jain are related to each other.



- **No. of Board Meetings held during the year along with the dates of the meeting:**
  - During the year seven Board Meetings were held on:  
14.05.2013, 18.06.2013, 01.07.2013, 06.08.2013, 08.11.2013, 12.02.2014 and 28.02.2014.  
The Company placed before the Board the Annual Budget, Performance of various units and other information from time to time as specified in **Annexure** of the Listing Agreement.
- **Committees**

The Board has constituted and rechristened following committees

**3. Constitution of “Corporate Social Responsibility Committee”:**

As per Section 135 of the Companies Act, 2013 the Board has constituted CSR Committee comprising of two Managing Directors and one Independent Director

CSR Committee is primarily responsible for formulating and monitoring the implementation of the framework of corporate social responsibility policy and to look into sustainability matters and matters related to overall governance.

**4. Audit Committee**

- **Terms of Reference :**

The terms of reference of this Committee cover the matters as specified for Audit Committees under Clause 49 of the Listing Agreement as well as per the provisions of Section 177 of the Companies Act, 2013
- **Composition, name of Members and Chairperson:**

The Audit Committee comprises 3 Independent Directors. Shri Sodhsal Singh Dev of Dhrangadhra is the Chairman of this Committee. Shri D. Ganapathy and Ms. Sujata Rangnekar are the other members of the Committee.
- **Meetings and Attendance during the year:**

The Committee met 4 times during the year and the attendance of the Members at these meetings was as follows:

| Dates of Meetings | Shri. D. Ganapathy | Shri. F. H. Tapia | Shri Sodhsal Singh Dev of Dhrangadhra | Ms. Sujata Rangnekar |
|-------------------|--------------------|-------------------|---------------------------------------|----------------------|
| 14.05.2013        | -                  | No                | Yes                                   | Yes                  |
| 06.08.2013        | -                  | Yes               | Yes                                   | Yes                  |
| 08.11.2013        | -                  | -                 | Yes                                   | Yes                  |
| 12.02.2014        | Yes                | -                 | Yes                                   | Yes                  |

**5. Nomination and Remuneration Committee:**

- while adhering to the requirements of the Companies Act, 2013/Clause 49 of the listing Agreement the Board has rechristened Remuneration Committee as Nomination and Remuneration Committee. The terms of reference of the “Remuneration Committee” was conferred on the Nomination and remuneration Committee,



- **Terms of Reference :**

The terms of reference of this Committee cover the matters as specified for Nomination and Remuneration Committees under Clause 49 of the Listing Agreement.

- **Composition, Name of Members and Chairperson:**

The Remuneration Committee comprises 3 Independent Directors. Shri Sodhsal Singh Dev of Dhrangadhra is the Chairman of this Committee Ms. Sujata Rangnekar and Shri D. Ganapathy are the other members of the Committee. Shri R. V. Ruia resigned from the Board on October 23, 2013 and therefore ceased to be member of Remuneration Committee.

- **Attendance during the year:**

The Committee met 2 time during the year and the attendance of the Members at that meeting was as follows:

| Dates of Meetings | Ms. Sujata Rangnekar | Shri Sodhsal Singh Dev of Dhrangadhara | Shri. D. Ganapathy |
|-------------------|----------------------|--|--------------------|
| 08.11.2013        | yes                  | yes                                    | yes                |
| 28.02.2014        | Yes                  | Yes                                    | Yes                |

- **Remuneration Policy:**

The Remuneration of Managing Directors is approved by the Nomination and Remuneration Committee and also by the Board (subject to the subsequent approval by the Shareholders at the general body meeting and such other authorities as the case may be).The remuneration is fixed considering various factors such as qualification, experience, expertise and prevailing remuneration in the corporate world, financial position of the Company etc. The remuneration Structure comprises Salary, Perquisites, Commission and Contribution to Provident Fund, Super-Annuation Fund and other funds in accordance with the provisions of the Companies Act, 12013.Each of the Non Executive Directors are entitled for commission aggregating not more than 1% of the net profits of the Company in a financial year subject to a maximum of Rs. 3,00,000/- per Director as approved by the members of the Company at the Extra- Ordinary General Meeting held on December 19, 2013 besides the sitting fees for meetings of the Board and its committees attended by them

- **Details of the remuneration paid to the Directors for the Financial year 2013-2014 is given below :**

| Directors              | Salary<br>(Rs.) | Benefits<br>(Rs.) | Contri. to Provi. Fund & Other funds<br>(Rs.) | Commission<br>(Rs.) | Sitting Fees<br>(Rs). | Total<br>(Rs.)      |
|------------------------|-----------------|-------------------|---|---------------------|-----------------------|---------------------|
| Dr. Shashi Chand Jain  | 4,200,000       | 5,70,000          | 12,61,680                                     | 51,56,250           | —                     | <b>1, 11,87,930</b> |
| Shri Pramod Kumar Jain | 4,950,000       | 5,57,500          | 14,86,980                                     | 56,25,000           | —                     | <b>1,26,19,480</b>  |
| Shri Bakul Jain        | 4,950,000       | 5,57,500          | 14,86,980                                     | 56,25,000           | —                     | <b>1,26,19,480</b>  |
| Shri Mudit Jain        | 4,950,000       | 5,59,810          | 14,86,980                                     | 56,25,000           | —                     | <b>1,26,21,790</b>  |



|                                       |          |   |        |          |        |                  |
|---------------------------------------|----------|---|--------|----------|--------|------------------|
| Shri Vivek Jain                       | 7,50,000 | - | 221133 | 468750   | —      | <b>14,39,883</b> |
| Shri Sodhsal Singh Dev of Dhrangadhra | -        | - |        | 300000   | 95,000 | 3,95,000         |
| Shri. F. H. Tapia                     | -        | - |        | 1,50,000 | 35,000 | 1,85,000         |
| Shri S. K. Jalan                      | -        | - |        | 1,75,000 | 10,000 | 1,85,000         |
| Shri Berjis Desai                     | -        | - |        | 1,25,000 | 40,000 | 1,65,000         |
| Shri R. V. Ruia                       | -        | - |        | 1,75,000 | 40,000 | 2,15,000         |
| Shri Salil Kappor                     | -        | - |        | 1,25,000 | 20,000 | 1,45,000         |
| Ms. Sujata Rangnekar                  | -        | - |        | 3,00,000 | 95,000 | 3,95,000         |
| Shri D. Ganapathy                     | -        | - |        | 3,00,000 | 60,000 | 3,60,000         |

Each of the Managing Directors are entitled for commission @ 25% of the difference between 10% of the net profits as computed under Section 198 of the Companies Act, 2013, in a financial year and the aggregate of the salary and perquisites and benefits paid to all the Managing Directors in that year subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013.

Managing Directorships are entitled for pension as per Superannuation Scheme of the Company.

The appointments of Managing Directors are contractual and are for a period of 3 years.

The appointment of the Managing Directors may be terminated by either party by giving a six-month notice.

No severance fee is payable on termination of appointment.

Presently the Company does not have any Scheme for grant of any stock option either to the Directors or to the employees.

#### 6. Stakeholders Relationship committee:

The Board has rechristened Shareholders'/Investors Grievance Committee as Stakeholders Relationship Committee in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms of reference of the shareholders'/investors Grievance Committee was conferred on the Stakeholders Relationship Committee.

D. Ganapathy, Independent Director is the Chairperson of the Shareholders' Relationship Committee.

Mrs. Jigna Karnick, Deputy Company Secretary is the Compliance Officer of the Company.

There were 52 complaints received from the shareholders during the year. All the Complaints were resolved satisfactorily.

There were no pending complaints as on 31.03.2014

#### 7. General Body Meetings

i. Location and time where last 3 Annual General Meetings held: -

| Year    | Location             | Date       | Time       | No. of Special Resolutions Passed |
|---------|----------------------|------------|------------|-----------------------------------|
| 2010-11 | Dhrangadhra, Gujarat | 24.11.2011 | 10.00 a.m. | 6                                 |
| 2011-12 | Dhrangadhra, Gujarat | 28.09.2012 | 10.00 a.m. | 2                                 |
| 2012-13 | Dhrangadhra, Gujarat | 12.09.2013 | 10.00 a.m. | 1                                 |





- ii No Special Resolution has been passed last year through postal ballot
- iii. 13 Special Resolutions are proposed to be conducted through Electronic Voting.

#### 8. Means of Communication

**Quarterly results :** The Company's quarterly results are published in 'Financial Express'/Business Standards' in all editions including the Gujarathi Edison published from Ahmedabad. and also are displayed on its website ([www.dcwlimited.com](http://www.dcwlimited.com)). These are not sent individually to the shareholders.

There were no presentations made to the Institutional Investors or to the Analysts.

#### 9. Disclosures

1. During the year, there were no transactions of material nature with the Promoters, Directors or the management or relatives etc. that may have potential conflict with the interest of the Company at large.
2. During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any other statutory authority for non-compliance of any matter related to the Capital Market.

#### 3. DCW Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is posted on the website of the Company.

A declaration signed by the Chairman & Managing Director of the Company is given below :

I hereby confirm that the Company has obtained from all the members of the Board and Sr. Management Personnel, affirmation that they have complied with the code of conduct for the Directors and Sr. Management Personnel in respect of the financial year 2013 – 2014.

Shri P. K. Jain  
Chairman & Managing Director.

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended, the Board of Directors of the Company formulated DCW Code of Conduct for the prevention of Insider Trading in the shares of the Company by its Directors and designated employees. The Code, inter-alia, prohibits purchase / sale of shares of the Company by the Directors and designated employees, while in possession of unpublished price sensitive information in relation to the Company. A system has been put in place and Directors / Designated Employees and their dependents have been advised to take pre-clearance before purchase / sale of the Company's shares.

Whistle Blower mechanism is in existence and no personnel have been denied access to the Chairman of the Audit Committee.

#### 10. Compliance with Mandatory Requirements:

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### Compliance with Non-Mandatory Requirements:

##### (1) The Board :

The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non-Executive Chairman does not arise.



(2) **Nomination and Remuneration Committee:**

Please refer Item No. 5 under the heading 'Mandatory Requirements.

(3) **Shareholders' Rights:**

As the Company's Quarterly results are published in English Newspapers having circulation all over India and in a Gujarati Newspaper circulated in Gujarat, the same are not sent to each household of shareholders.

(4) **Audit qualification :**

The Company move towards a regime of unqualified financial statements.

(5) **Training of Board Members :**

The Board of Directors consists of professionals with expertise in their respective fields and industry. They endeavor to keep themselves updated with changes in economy and legislation.

(6) **Mechanism for evaluating non-executive Board Members:**

The performance evaluation of non-executive Directors is done by the Board of Directors, excluding the Director being evaluated.

(7) **Whistle Blower Policy**

The Company has in existence a system for the employees to report to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.

**DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT/ETHICS:**

All the Directors and Senior Management personnel have affirmed compliance with the Code of Conduct / Ethics as approved and adopted by the Board of Directors.

**11. General Shareholders information**

**ANNUAL GENERAL MEETING:**

- Day & Date - August 13, 2014
- Time - 10.00 A.M.

- Venue - at the Registered Office (at Guest House No.2) Dhrangadhra, Gujarat - 363 315

**Financial calendar :** April 2013 – March 2014:

**Date of Book closure :** 4<sup>th</sup> August, 2014 to 13<sup>th</sup> August, 2014. (both days inclusive)

**Dividend Payment Date:** on or before 16<sup>th</sup> August, 2014

**Listing on Stock Exchanges:**

The Company's shares are listed with the following Stock Exchanges: -

The Mumbai - Phiroze Jeejeebhoy Stock Exchange Towers, (BSE) Dalal Street, Mumbai 400 023

National Stock - Exchange of India Limited (NSE) Exchange Plaza Bldg., 5<sup>th</sup> floor, Plot No. C- 1, 'G' Block, Bandra- Kurla Complex, Near Wockhardt, Mumbai 400 051

Annual Listing fees as prescribed has been paid to the above Stock Exchanges for the year 2014 - 2015. GDRs of the Company are listed with the Luxembourg Stock Exchange

**Stock Code :** 500117 (BSE)

DCW (NSE)

**Demat ISIN Nos.:** INE 500A01029 (Fully Paid)  
**Share Transfers and other** : Bigshare Services Pvt. Ltd.,

**Communications** : Unit DCW Ltd.,  
**may be Addressed to** E/2&3, Ansa Industrial Estate Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072. Tel.: 91- 22 -28470652, 40430200, 28470653 Fax.: 91-22-28475207 Email :



Investors' complaints may be addressed to investor@bigshareonline.com  
Dy. Secretary  
**DCW Limited** Nirmal,  
3<sup>rd</sup> floor, Nariman Point,  
Mumbai – 400 021

Our RTA, Bigshare Services Private Limited has Gen-Next Investor Interface Module "i'Boss" the most advanced tool to interact with investors. Please login into i'Boss ([www.bigshareonline.com](http://www.bigshareonline.com)) and help them to serve you better.

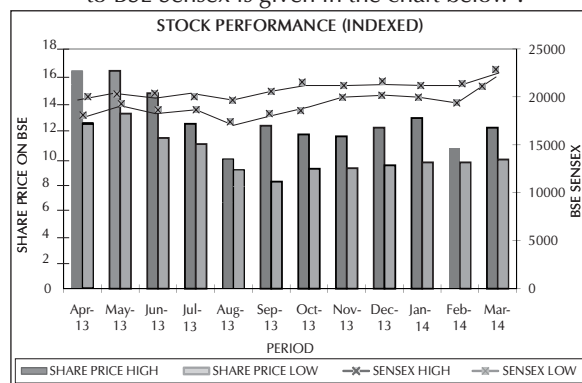
#### Market price data :

#### High / Low During each month in last Financial year: -

| Month / Year    | NSE        |           | BSE        |           |
|-----------------|------------|-----------|------------|-----------|
|                 | High (Rs.) | Low (Rs.) | High (Rs.) | Low (Rs.) |
| April, 2013     | 15.55      | 12.9      | 16.20      | 12.55     |
| May, 2013       | 15.45      | 12.6      | 16.25      | 12.50     |
| June, 2013      | 16.25      | 10.85     | 13.10      | 10.76     |
| July, 2013      | 11.4       | 9.95      | 11.58      | 9.90      |
| August, 2013    | 9.7        | 8.55      | 10.11      | 8.52      |
| September, 2013 | 10.7       | 8.55      | 11.10      | 8.20      |
| October, 2013   | 11.5       | 9.5       | 11.85      | 9.36      |
| November, 2013  | 11.35      | 9.01      | 11.65      | 9.01      |
| December, 2013  | 11.7       | 9.95      | 12.16      | 9.80      |
| January, 2014   | 12.7       | 10.3      | 13.06      | 10.12     |
| February, 2014  | 10.6       | 10        | 10.80      | 9.80      |
| March, 2014     | 11.9       | 10.1      | 12.22      | 10.01     |

#### Stock Performance (Indexed) :

The performance of the Company's shares relative to BSE SENSEX is given in the chart below :



#### Registrar and Share Transfer Agents:

The Company has appointed Bigshare Services Pvt. Ltd., E/2& 3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai - 400 072 as Registrars and Share Transfer Agents of the Company.

The Company's shares are traded in the Stock Exchanges compulsorily under demat mode. All the applications received for transfer of physical shares are approved by the Share Transfer Committee, which normally meets twice in a month depending on the volume of transfers. Share transfers are registered and returned normally within 15 days from the date of lodgement, if documents are complete in all respects.

#### Distribution of Shareholding as on 31.03.2014 :-

| Range        | No. of Share holders | % of Share holders | Total No. of Shares held | % of Total Capital |
|--------------|----------------------|--------------------|--------------------------|--------------------|
| 1 - 500      | 51550                | 91.75              | 23686978                 | 11.29              |
| 501 - 1000   | 2491                 | 4.43               | 8696129                  | 4.15               |
| 1001 - 2000  | 1092                 | 1.94               | 7338454                  | 3.50               |
| 2001 - 3000  | 360                  | 0.64               | 3894430                  | 1.86               |
| 3001 - 4000  | 198                  | 0.35               | 3237728                  | 1.55               |
| 4001 - 5000  | 99                   | 0.18               | 1896926                  | 0.90               |
| 5001 - 10000 | 209                  | 0.38               | 7117647                  | 3.39               |
| 10001 above  | 186                  | 0.33               | 153922661                | 73.36              |
| <b>Total</b> | <b>55830</b>         | <b>100</b>         | <b>209790953</b>         | <b>100.00</b>      |

#### Shareholding Pattern as on 31.03.2014: -

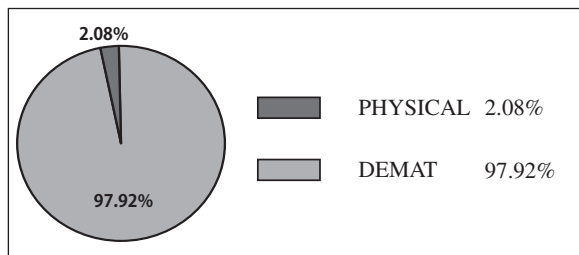
| Category of Shareholder                         | No. of Shares held | Percentage of Shareholding |
|---|--------------------|----------------------------|
| (A) Shareholding of Promoter and Promoter Group |                    |                            |
| 1 Indian  |                    |                            |
| (a) Individuals/Hindu Undivided Family          | 41583400           | 19.82                      |
| (b) Central Government/State Government(s)      | -                  | -                          |



|     |  |           |       |
|-----|--|-----------|-------|
| (c) | Bodies Corporate   | 53694486  | 25.59 |
| (d) | Financial Institutions/ Banks  | -         | -     |
| (e) | Any Others (Specify)   | -         | -     |
|     | Sub Total (A)(1)   | 95277886  | 45.41 |
| 2   | Foreign  |           |       |
| (a) | Individuals (Non-Residents Individuals/ Foreign Individuals)         | -         | -     |
| (b) | Bodies Corporate   | -         | -     |
| (c) | Institutions   | -         | -     |
| (d) | Any Others (Specify)   | -         | -     |
|     | Sub Total (A)(2)   | -         | -     |
|     | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 95277886  | 45.41 |
| (B) | Public shareholding  |           |       |
| 1   | Institutions   |           |       |
| (a) | Mutual Funds/ UTI  | 18,705    | 0.01  |
| (b) | Financial Institutions / Banks                                       | 1,69,736  | 0.08  |
| (c) | Central Government/ State Government(s)                              | -         | -     |
| (d) | Venture Capital Funds  | -         | -     |
| (e) | Insurance Companies  | 85,16,415 | 4.06  |
| (f) | Foreign Institutional Investors                                      | 18445377  | 8.79  |

|            |   |                     |               |
|------------|---|---------------------|---------------|
| (g)        | Foreign Venture Capital Investors   | -                   | -             |
| (h)        | Any Other (specify)   | -                   | -             |
| (h-i)      | Foreign Banks   | 42,225              | 0.02          |
|            | <b>Sub-Total (B)(1)</b>   | <b>27192458</b>     | <b>12.96</b>  |
| <b>B 2</b> | <b>Non-institutions</b>   |                     |               |
| (a)        | Bodies Corporate  | 8178135             | 3.90          |
| (b)        | Individuals   | 67994000            | 32.41         |
| (c)        | Any Other (specify)   |                     |               |
| (c-i)      | Clearing Member   | 565942              | 0.27          |
| (c-ii)     | NRI   | 1971714             | 0.94          |
| (c-iii)    | OCBs  | 5760218             | 2.75          |
| (c-iv)     | Trust   | 76850               | 0.04          |
|            | <b>Sub-Total (B)(2)</b>   | <b>84546859</b>     | <b>40.31</b>  |
| (B)        | <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                                     | <b>111,739,317</b>  | <b>53.27</b>  |
|            | <b>TOTAL (A)+(B)</b>  | <b>20,70,17,203</b> | <b>98.68</b>  |
| (C)        | <b>Shares held by Custodians and against which Depository Receipts have been issued</b> | 27,73,750           | 1.32          |
|            | <b>GRAND TOTAL (A)+(B)+(C)</b>  | <b>20,97,90,953</b> | <b>100.00</b> |

**Dematerialisation of shares: 205,418,332** Equity shares held by 49936 Shareholders comprising 97.92% of the paid up Share Capital have been dematerialised as on 31<sup>st</sup> March, 2014.



**Outstanding GDRs/ADRs/ Warrants /convertible instruments etc.:**

Outstanding GDRs as on 31<sup>st</sup> March, 2014 represent 2,773,750 shares (1.32%).

Apart from those mentioned above, there are no further outstanding instruments, which are convertible into equity in the future.

**Plant Location :**

Given in the 1<sup>st</sup> page of this Annual Report

**Address for correspondence :**

DCW Limited, Nirmal, 3<sup>rd</sup> floor,  
Nariman Point, Mumbai – 400 021



## CERTIFICATE ON CLAUSE 49 COMPLIANCE

To the Members of:  
**DCW LIMITED**

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31st March, 2014.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the condition of

Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review and the information and explanations given to us by the Company.

Based on such a review, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company, nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S. K. Jain & Co.,  
Practicing Company Secretaries

(S. K. Jain)  
Partner  
C. P. 3076

Place: Mumbai  
Date: May 19, 2014.



## ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT.

### A. CONSERVATION OF ENERGY

1. In Caustic Soda Plant, First cycle of Re-membraning in all Electrolysers he been completed by March 14. Additionally, recoating of selective cathodes also done. Reduction in power consumption to a tune of 130 units (DC Power) per MT of Caustic has been achieved.

Various in house efforts like protective coating of Pump Casing and Impellers, optimizing running of various Equipments etc has resulted in reduction of absolute Utility Energy Consumption by about 250 kWhr/Day in Chloralkali Plant.

2. In Synthetic Rutile Plant, table feeder arrangement was installed in both UGI calciners to ensure uniform feed. With this system, single calciner operation for rated plant capacity is maintained, thus ensuring consistent product quality combined with energy savings to a tune of 0.3 million K cals per MT of product.
3. Revamping of cooling towers, replacement of old Vapour absorption Machines etc. are few energy conservation measure in PVC plant.
4. Installation of 132 KW capacity VFDs for Ash Compressor and boiler primary air fan is notable energy conservation measure in Cogen plant.
5. Supermizers, the electronic device to reduce the energy consumption in three phase induction motors are being used continuously in all plants to save energy. During the year, 166 Supermizers were in service resulting in annual saving of about 20 Lacs units. Energy conservation on account of VFDs is about 10 lacs units.
6. National Energy Conservation week celebrations orgained during Dec'13. As much as 21 energy saving Suggestions received from employees. Of them 8 suggestions were implemented and remaining underway. Savings potential to a tune of 3 lacs units per annum.
7. Audit by TERI Bangalore – of the 17 proposals highlighted by the auditing firm, 8 have been completed and balance in progress. Total savings potential is about 13 lacs units per annum.
8. 18 Nos. EnCON Projects implemented during the year under report resulting in annual saving of about Rs.40 Lacs.
9. **Integrated Management System.**

QHSE Management System (ISO Certificates 9001- Quality, OHSAS 18001 - Health & Safety) & 14001 – First surveillance audit was successfully completed during October 2013, and Certificate of Approval to the QHSE Management System is recommended to be continued and valid till December 2015.

Supply Chain Security Management System (ISO 28000) - First Surveillance audit was successfully completed during Feb 2014, and Certificate of Approval to the Supply Chain Security Management System is recommended to be continued and valid till April 2016.

Energy Management System (ISO 50001): Certification audit was successfully completed during May 2013, and Certificate of Approval for Energy Management System granted on 25th June, 2013 and valid till June 2016.

10. Under Companywide Objectives and Targets for 2012-13, following have been achieved:
  - Overall 1.74 % reduction in specific energy consumption equivalent to 630 MTOE of energy saved compared to previous year.
  - Overall 3.48% reduction in specific water consumption.

### 11. Employees Participation

#### a. Quality Circles

- Participation of employees in Quality Circles implementing 32 projects in 2013-14 has resulting in annual saving of about Rs.13 Lacs.
- QC Teams from Ilmenite, CS, PVC, Mechanical and Electrical departments won Gold Award (amongst 230 teams participated from Tamil Nadu) in Regional Convention.
- QC Teams from Ilmenite plant and Mechanical department won Excellence Award (amongst 1330 teams participated from various parts of the country) in the National Convention held at Kolkata

#### b. ROSE (Right Operations Success Ensured) – an operational excellence move

650 Employees participated in shop floor involved in making improvements at their work place contributing 1,403 Kaizens, 1,076 Single Point Lessons, 1,405 Visual Control Sign Boards and eliminating 8000 abnormalities in 2013-2014.

Participated in the competition of “Uyarntha Uzhaipalar Viruthu-2012” conducted by Department of



Inspectorate of Factories, Govt. of Tamil Nadu, and two of our employees (Mr. J.Ramesh, C.No: 16209, and Mr.M.Ramachandran, T.No-10570) have been selected for the Uyarnta Uzhaipalar Viruthu in third prize

## 12. Energy conservation awards

For the 5th consecutive year, DCW Sahapuram unit has received “National Award for Excellence in Energy Management” during the year 2013, organized by Confederation of Indian Industries at National Level competition held in Hyderabad. We are amongst Top 20 in India.

## B. TECHNOLOGY ABSORPTION

### 1. Research & Development

#### 1.1 Chlor Alkali Plant

- 1.1.1 Fibre Optic current sensors were installed in all the rectifiers to ensure accuracy in DC current measurements.
- 1.1.2 In house modification of Drying tower in Liquid chlorine plant done to enhance process integrity.

#### 1.2 SYNTHETIC RUTILE

##### 1.2.1 Process optimization to reduce cycle time and conserve energy

Single layer bricks with baffles in digesters have yielded phenomenal benefits (life of bricks nearly twice that of two layers being adopted so far combined with 10% reduction in cycle time). Implemented in all 29 digestors during year under report. Load cells for accurate measurements of ore fed into digestors were also installed which has helped to optimize acid consumption.

##### 1.2.2 Product Quality enhancement efforts

Test works for installation of energy efficient high tension separator in Ore Purification plant as well as magnetic separator for roasted ore to remove (non magnetic) impurities were done during year under report. Results are encouraging. While the former will ensure consistent quality of Pemium grade ore to feed roasters, the latter will ensure purity enhancement by about 1% in final product. Both proposals would conserve energy also since impurities would be removed at intermediate stages and hence heating of the same is avoided in digesters and calciners. Action being initiated to install commercial scale machines.

Micronisation of UTOX to achieve particle size as low as 25 microns has widened customer base.

##### 1.2.3 Improvising UTOX recovery

To ensure solids free effluent and also to recover valuable UTOX from Leach Liquor & Wash Water Streams, augmentation of UTOX section has been taken up. Civil works have been completed piping, system would be commissioned by July, 2014.

#### 1.3 PVC

- 1.3.1 Automation successfully completed in one reactor. Engineering for all remaining reactors being done by consultant.
- 1.3.2 As an in house R & D effort, special type klinger valves were provided for 7 reactors and with this facility hot water charging is successfully continued.
- 1.3.3 Vehicle tracking system introduced in one VCM tanker on trial basis. After observing performance and benefits, will be introduced in all other tankers.

#### 1.4 COGEN

Air blasters in coal bunker and pneumatic vibrators in leg chutes were installed to reduce choking of coal. The system has ensured trouble free operation of power plant.

## 2. EXPENDITURE ON RESEARCH & DEVELOPMENT

|                |                       |
|----------------|-----------------------|
| (i) Capital    | Rs. Nil lacs          |
| (ii) Recurring | Rs. 18.01 lacs        |
|                | <u>Rs. 18.01 lacs</u> |

- (iii) Total Research & Development Expenditure as a percentage of total turnover (Net of Excise) 0.01 Percentage.

### Technology Absorption, Adaptation and Innovation :

Continuous efforts are made towards technology absorption, adaptation and innovation. The emphasis is on improving the quality of the finished product and reducing energy consumption.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars regarding foreign exchange earnings and outgo appear in Schedule 6 forming part of the Profit and loss Accounts.





## REQUISITE DATA IN RESPECT OF ENERGY CONSUMPTION

### (A) Power and Fuel Consumption

| Particulars                                 | <u>Caustic Soda Unit</u> |             | <u>PVC Unit</u> |             | <u>Soda Ash Unit</u> |            |
|---|--------------------------|-------------|-----------------|-------------|----------------------|------------|
|   | Current                  | Previous    | Current         | Previous    | Current              | Previous   |
|   | Year                     | Year        | Year            | Year        | Year                 | Year       |
|   | 2013 – 2014              | 2012 – 2013 | 2013–2014       | 2012 – 2013 | 2013–2014            | 2012– 2013 |
| <b>1. ELECTRICITY</b>                       |                          |             |                 |             |                      |            |
| <b>a) Purchased</b>                         |                          |             |                 |             |                      |            |
| Unit (Lakh KWH)                             | 12.59                    | 51.72       | 4.54            | 2.94        | 13.45                | 18.01      |
| Total Amount (Rs. in lakhs)                 | 290.91                   | 447.42      | 37.06           | 26.43       | 109.52               | 138.03     |
| Rate/Unit (Rs.)                             | 23.11                    | 8.65        | 8.16            | 9.00        | 8.14                 | 7.66       |
| <b>b) Own Generation</b>                    |                          |             |                 |             |                      |            |
| <b>(i) Through Diesel Generator</b>         |                          |             |                 |             |                      |            |
| Unit (Lakh KWH)                             | 25.70                    | 55.03       | 12.87           | 33.16       | –                    | –          |
| Unit/MT of Furnace Oil                      | 4.19                     | 4.32        | 4.19            | 4.32        | –                    | –          |
| Cost/Unit KWH (Rs.)                         | 13.50                    | 13.99       | 13.50           | 13.99       | –                    | –          |
| <b>(ii) Through Steam Turbine Generator</b> |                          |             |                 |             |                      |            |
| Unit (Lakh KWH)                             | 3,183.40                 | 2,671.35    | –               | –           | 247.53               | 246.93     |
| Unit/MT of Coal                             | 1,211.31                 | 1,192.31    | –               | –           | –                    | –          |
| Cost/Unit KWH (Rs.)                         | 5.65                     | 6.25        | –               | –           | –                    | –          |
| <b>2. COAL</b>                              |                          |             |                 |             |                      |            |
| Quantity (MT)                               | 262,806.83               | 223,951.86  | –               | –           | 24253                | 53,369     |
| Total cost (Rs. In Lakhs)                   | 16,891.44                | 14,873.58   |                 |             | 793.59               | 2281.96    |
| Average rate (Rs.)                          | 6,427.32                 | 6,641.42    | –               | –           | 3272                 | 4276       |
| <b>3. FURNACE OIL / LSHS / LSFO</b>         |                          |             |                 |             |                      |            |
| Quantity (MT)                               | 5,139.54                 | 8,544.80    | 432.95          | 924.39      | –                    | –          |
| Total Amount (Rs. in Lakhs)                 | 2,150.25                 | 3,433.97    | 175.74          | 365.12      | –                    | –          |
| Average Rate (Rs.)                          | 41,837                   | 40,188      | 40,593          | 39,499      | –                    | –          |
| <b>4. OTHERS</b>                            |                          |             |                 |             |                      |            |
| <b>(i) Hydrogen</b>                         |                          |             |                 |             |                      |            |
| Quantity (MT)                               | 80.65                    | 75.20       |                 |             | –                    | –          |
| Total Amount (Rs. in lakhs)                 | 80.76                    | 75.31       | –               | –           | –                    | –          |
| Avg. Rate (Rs.)                             | 41,725                   | 35,766      | –               | –           | –                    | –          |
| <b>(ii) Lignite</b>                         |                          |             |                 |             |                      |            |
| Quantity (MT)                               | –                        | –           | –               | –           | 82777                | 54,723     |
| Total Amount (Rs. in Lakhs)                 | –                        | –           | –               | –           | 2606.735             | 1,634.29   |
| Rate/Unit (Rs.)                             | –                        | –           | –               | –           | 3149                 | 2,986      |
| <b>(iii) HSD</b>                            |                          |             |                 |             |                      |            |
| Quantity (KL)                               | 42.39                    | 33.19       | 3.64            | 3.51        | –                    | –          |
| Total Amount (Rs. in lakhs)                 | 25.13                    | 15.30       | 2.21            | 1.62        | –                    | –          |
| Avg. Rate (Rs.)                             | 59,284                   | 46,113      | 60,714          | 46,154      | –                    | –          |



(B) Consumption per unit of Production

| Particulars                    | Caustic Soda Unit |               | PVC Unit     |               | Soda Ash Unit |               |
|--------------------------------|-------------------|---------------|--------------|---------------|---------------|---------------|
|                                | Current Year      | Previous Year | Current Year | Previous Year | Current Year  | Previous Year |
|                                | 2013-2014         | 2012-2013     | 2013-2014    | 2012-2013     | 2013-2014     | 2012-2013     |
| 1. Electricity (KWH)           | 2,474             | 2,562         | 262          | 293           | 237           | 237           |
| 2. Fuel Oil / Coal –Steam (MT) | 1.224             | 1.192         | 1.562        | 1.585         | -             | -             |
| 3. Coal (MT)                   | 0.155             | 0.154         | -            | -             | 0.242         | 0.368         |
| 4. Others                      |                   |               |              |               |               |               |
| (i) Hydrogen (Kgs)             | 0.0001            | 0.0001        | -            | -             | -             | -             |
| (ii) Lignite (MT)              | -                 | -             | -            | -             | 0.634         | 0.528         |
| (iii) HSD (Litres)             | 0.0001            | 0.0001        | -            | -             | -             | -             |

***Annexure to the Directors' Report***

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report

| Sr. No.                               | Name                   | Designation/<br>Nature of duties  | Remuneration<br>(Rupees) | Qualification            | Experience<br>(Years) | Date of commencement<br>of Employment | Age<br>(Years) | Last employment held. Name of the Company, Designation and period of service |
|---------------------------------------|------------------------|-----------------------------------|--------------------------|--------------------------|-----------------------|---------------------------------------|----------------|--|
| <b>Employed for whole of the year</b> |                        |                                   |                          |                          |                       |                                       |                |  |
| 1                                     | Dr. Shashi Chand Jain  | Chairman<br>Emiretus              | 11,187,930               | Ph.D<br>(Economics)      | 58                    | 01.04.1969                            | 81             | Sahu Brothers Pvt. Ltd. Director - 12 years                                  |
| 2                                     | Shri Pramod Kumar Jain | Chairman &<br>Managing Director   | 12,619,480               | B.A. (Hon.)<br>Economics | 55                    | 01.04.1969                            | 76             | Sahu Brothers Pvt. Ltd.  |
| 3                                     | Shri Bakul Jain        | Managing Director                 | 12,619,480               | B.Com., MBA              | 30                    | 01.09.1984                            | 59             | ----   |
| 4                                     | Shri Vivek Jain        | Managing Director                 | 6,387,260                | B. Com, MBA              | 30                    | 01.09.1984                            | 55             | ---  |
| 5                                     | Shri Mudit Jain        | Managing Director                 | 12,621,790               | B. Com, MBA              | 24                    | 01.04.1989                            | 50             | ----   |
| 6                                     | Shri Amitabh Gupta     | Sr. Vice President -<br>Marketing | 6,965,747                | M.Sc.                    | 41                    | 15.07.1971                            | 62             | ----   |
| <b>Employed for part of the year</b>  |                        |                                   |                          |                          |                       |                                       |                |  |
| 1                                     | Manohar S Jain         | Vice President -<br>Projects      | 2,187,668                | BE (Mech)                | 43                    | 16.01.2006                            | 68             | Aditya Birla Management Corp. Ltd.   |
| 2                                     | G.Srinivasan           | Senior Vice President -<br>Works  | 3,840,808                | B.Com., ACA              | 36                    | 09.10.2008                            | 60             | Transworld Group of Companies Managing Director                              |
| 3                                     | Reba Rani Baugh        | Senior Executive                  | 1,212,727                | BSC                      | 34                    | 17.09.1979                            | 58             | M/s Special Steels Ltd.  |
| 4                                     | Shri S.P.Vinayagam     | Officer (Sales)                   | 573,593                  | B.Sc.(Chemistry)         | 24                    | 17.11.1988                            | 58             | ----   |
| 5                                     | Shri C.Jebamanohar     | General Manager (ILM)             | 15,84,611                | B.Tech.(Chem.)           | 31                    | 24.09.1982                            | 58             | ----   |

**Notes :**

- In case of Managing Directors the gross remuneration shown above (subject to tax) comprise salary, Perquisites, Commission, Company's contribution to Provident Fund, Superannuation Fund and Gratuity Fund .
- In case of other employees employed for part of the year, the gross remuneration shown above (subject to tax) comprise salary, perquisites, Company's Contribution to Provident Fund and gratuity paid.
- The nature of employment of the Managing Directors is contractual.
- Dr. S. C. Jain and Shri Pramod Kumar Jain are related to each other. Dr. S.C. Jain and Shri Vivek Jain are related to each other.



## Balance Sheet

AS AT 31ST MARCH, 2014

|                                       | As at<br>31.03.2014<br>US\$ in Millions * | As at<br>31.03.2013<br>US\$ in Millions # |
|---------------------------------------|---|---|
| <b>EQUITY AND LIABILITIES :</b>       |   |   |
| <b>Shareholders funds</b>             |   |   |
| Capital                               | 7.00                                      | 7.73                                      |
| Reserves & surplus                    | 85.88                                     | 91.14                                     |
| Money received against share warrants | -   | -   |
| <b>Non-current liabilities</b>        |   |   |
| Long-term borrowings                  | 98.11                                     | 71.43                                     |
| Deferred tax liabilities (Net)        | 19.35                                     | 20.44                                     |
| Long-term provisions                  | 1.62                                      | 1.58                                      |
| <b>Current liabilities</b>            |   |   |
| Short-term borrowings                 | 2.41                                      | 13.48                                     |
| Trade payable                         | 63.21                                     | 39.26                                     |
| Other current liabilities             | 19.32                                     | 38.22                                     |
| Short-term provisions                 | 1.90                                      | 1.91                                      |
| <b>TOTAL</b>                          | <b>298.80</b>                             | <b>285.19</b>                             |
| <b>ASSETS :</b>                       |   |   |
| <b>Non-current assets</b>             |   |   |
| <b>Fixed Assets</b>                   |   |   |
| Tangible assets                       | 110.38                                    | 122.25                                    |
| Capital work in progress              | 119.83                                    | 81.37                                     |
| Intangible assets                     | -   | -   |
| Non-current investments               | 0.05                                      | 0.06                                      |
| Long-term loans and advances          | 2.90                                      | 2.33                                      |
| Other non-current assets              | 1.85                                      | 2.04                                      |
| <b>Current Assets</b>                 |   |   |
| Inventories                           | 33.99                                     | 42.57                                     |
| Trade receivables                     | 15.75                                     | 17.09                                     |
| Cash and Bank balances                | 0.57                                      | 0.96                                      |
| Short-term loans and advances         | 13.48                                     | 16.27                                     |
| Other Current Assets                  | -   | 0.25                                      |
| <b>TOTAL</b>                          | <b>298.80</b>                             | <b>285.19</b>                             |
| * One US\$= Rs. 59.91                 |   |   |
| # One US\$= Rs. 54.28                 |   |   |



## Profit & Loss Account FOR THE YEAR ENDED 31ST MARCH, 2014

|  | As at<br>31.03.2014<br>US\$ in Millions * | As at<br>31.03.2013<br>US\$ in Millions # |
|--|---|---|
| <b>Revenue from operations</b>   | 243.60                                    | 264.79                                    |
| Less : Excise Duty   | 22.34                                     | 20.17                                     |
| <b>Revenue from operations (net)</b>   | 221.26                                    | 244.62                                    |
| Other Income   | 0.22                                      | 0.53                                      |
| <b>Total Revenue</b>   | <b>221.48</b>                             | <b>245.15</b>                             |
| <b>Expenses :</b>  |   |   |
| Cost of Material consumed  | 116.20                                    | 111.79                                    |
| Purchase of stock-in-trade   | 0.37                                      | 0.04                                      |
| Changes in inventories of finished goods,<br>work-in progress and stock- in- trade | (3.05)                                    | (6.46)                                    |
| Excise duty on inventory differential  | (0.34)                                    | (0.29)                                    |
| Employee benefits expense  | 13.80                                     | 16.41                                     |
| Finance costs  | 4.51                                      | 5.92                                      |
| Depreciation   | 8.52                                      | 9.75                                      |
| Other Expenses   | 72.76                                     | 77.35                                     |
| <b>Total Expenses</b>  | <b>212.77</b>                             | <b>214.51</b>                             |
| <b>Profit before exceptional and extraordinary items<br/>and tax</b>               | <b>8.71</b>                               | <b>29.55</b>                              |
| <b>Exceptional Items</b>   | -   | 1.09                                      |
| <b>Profit before extraordinary items and tax</b>                                   | <b>8.71</b>                               | <b>29.55</b>                              |
| <b>Extraordinary Items</b>   | -   | -   |
| <b>Profit before tax</b>   | <b>8.71</b>                               | <b>29.55</b>                              |
| <b>Tax Expense :</b>   |   |   |
| Current tax  | 1.84                                      | 6.00                                      |
| Mat credit available for setoff  | (0.14)                                    | 0.68                                      |
| Deferred tax   | 0.83                                      | 3.53                                      |
| Tax Adjustments in respect of earlier years  | (0.14)                                    | 0.02-                                     |
| <b>Profit for the period from continuing operations</b>                            | <b>6.32</b>                               | <b>19.32</b>                              |
| Profit from discontinuing operations   | -   | -   |
| Tax expense of discontinuing operations  | -   | -   |
| Profit from discontinuing operations after tax                                     | -   | -   |
| <b>Profit for the period from continuing operations</b>                            | <b>6.32</b>                               | <b>19.32</b>                              |
| <b>* One US\$= Rs. 59.91</b>   |   |   |
| <b># One US\$= Rs. 54.28</b>   |   |   |



## Key Financial Data

|   | 2013 – 2014     |                    | 2012 – 2013     |                    |
|---|-----------------|--------------------|-----------------|--------------------|
|   | Rs. In Millions | US \$ in Millions* | Rs. In Millions | US \$ in Millions# |
| Gross Sales                                   | 14,593.78       | 243.60             | 14,373.07       | 264.79             |
| Fixed Assets - Gross Block                    | 11,611.62       | 193.82             | 11,133.94       | 205.12             |
| Net Block                                     | 6,612.70        | 110.38             | 6,635.80        | 122.25             |
| Export Earnings                               | 2,233.56        | 37.28              | 4,176.15        | 76.94              |
| Earning Before Depreciation and Interest      | 1,302.43        | 21.74              | 2,454.47        | 45.22              |
| Interest                                      | 270.30          | 4.51               | 321.28          | 5.92               |
| Earnings Before Depreciation                  | 1,032.13        | 17.23              | 2,133.19        | 39.30              |
| Depreciation                                  | 510.19          | 8.52               | 529.09          | 9.75               |
| Earnings Before Tax                           | 521.94          | 8.71               | 1,604.10        | 29.55              |
| <b>Taxation</b>                               |                 |                    |                 |                    |
| Current                                       | 110.78          | 1.85               | 325.50          | 6.00               |
| MAT Credit available for set off / utilized   | (8.46)          | (0.14)             | 37.10           | 0.68               |
| Excess Provision of Income Tax Written Back   | -               | -                  | -               | -                  |
| Deferred Tax                                  | 49.48           | 0.83               | 191.35          | 3.53               |
| Tax Adjustments in respect of earlier years   | (8.66)          | (0.14)             | 1.27            | 0.02               |
| Earnings After Tax                            | 378.80          | 6.32               | 1,048.88        | 19.32              |
| No. of shares of Rs.2/- each (Million Nos.) @ | 209.80          | 209.80             | 209.80          | 209.80             |
| Earnings per Shares ( Rs. / US \$ )           | 1.81            | 0.03               | 5.05            | 0.09               |
| Net Worth (Excl.Revaluation Reserve)          | 5,487.84        | 91.60              | 5,197.41        | 95.75              |
| Book value per share                          | 26.16           | 0.44               | 24.77           | 0.46               |
| Gross profit to sales (%)                     | 7.07            | 7.07               | 14.84           | 14.84              |
| (Earnings Before Depreciation)                |                 |                    |                 |                    |
| Interest coverage Ratio                       | 4.82            | 4.82               | 7.64            | 7.64               |
| Debt / Equity                                 | 1.20:1          | 1.20:1             | 1.03:1          | 1.03:1             |
| Current Assets / Current Liabilities          | 0.73            | 0.73               | 0.83            | 0.83               |

\* 1 US \$ = Rs. 59.91

# 1 US \$ = Rs.54.28



## INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2014

TO THE SHAREHOLDER OF DCW LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of DCW LIMITED (the Company) which comprise the Balance Sheet as at 31<sup>st</sup> March 2014 and the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2014;
- in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and

explanations given to us, we give in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.

- As required by section 227(3) of the Act, we report that:
  - we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - On the basis of written representations received from the directors as on 31<sup>st</sup> March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For V. Sankar Aiyar & Co.  
Chartered Accountants.  
FRN 109208W

Place: Mumbai  
Dated: 19th May, 2014

[ S. Venkatraman ]  
Partner  
Membership No. 34319



## ANNEXURE REFERRED TO AUDITOR'S REPORT TO THE SHAREHOLDERS OF DCW LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014.

- i. (a) The Company has maintained proper records showing particulars including quantitative details and situation of fixed assets.
- (b) We are informed that the fixed assets have been physically verified by the Management with the assistance of external agencies during the year. In our opinion the frequency of verification is reasonable. As per the information given to us by the management, no material discrepancies as compared to book records were noticed in respect of the fixed assets verified during the year.
- (c) Since there is no disposal of a substantial part of fixed assets during the year, the preparation of financial statements on a going concern basis is not affected on this account.
- ii. (a) The inventories of finished goods (except goods lying with consignees and in transit), stores, spare parts and raw materials (except coal stock lying with outside party and stocks in transit) have been physically verified by the management with the help of external agencies. In our opinion, the frequency of physical verification is reasonable.
- (b) In our opinion, the procedures in respect of Inventories physically verified are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion, the company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification as compared to the record of inventories.
- iii. (a) Based on the audit procedures applied by us and according to the information and explanations given to us; the company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (b) Based on audit procedures applied by us and according to the information and explanations given to us, the company has taken interest free unsecured loans from directors and interest bearing unsecured loan from a company listed in the register maintained under Section 301 of the Companies Act, 1956 aggregating to Rs. 9,20,00,000. The maximum amount involved during the year was Rs. 9,20,00,000 and there were no closing balance in the year end from such parties.
- (c) The rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interests of the company.
- (d) The principal amount and interest on such loans have been fully paid during the year.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanation that for purchase of certain raw materials, stores, components, and fixed assets, alternative sources of supply are limited with reference to quality, delivery schedules, credit period and some of the items purchased are of special nature, and hence comparable alternative quotations are not available for these, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- v. (a) Based on the audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that Section.
- (b) Sub clause (b) of sub-para (v) of para 4 of the Order is not applicable as there are no such transactions exceeding the value of Rupees Five Lacs in respect of any party in the financial year.
- vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of the para 4 of the Order are not applicable to the company.
- vii. The Company has, in general, an internal audit system commensurate with the size and nature of the Company's business.
- viii. The Central Government has prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of certain products manufactured in the company. We have broadly reviewed the



books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate or complete.

- ix. (a) According to the records of the company, undisputed

statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues that are required to be deposited regularly with authorities, have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts in respect of the aforesaid

statutory dues were in arrears, as at 31st March, 2014, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the company, the dues of sales tax / income tax / customs duty / wealth tax / service tax / excise duty / cess, which have not been deposited on account of any dispute are as follows:-

(Amount in Rs. lacs)

| Name of the Statute / Nature of Dues   | Period       | From where dispute is pending |               |                     |                       |                  | Grand Total     |
|--|--------------|-------------------------------|---------------|---------------------|-----------------------|------------------|-----------------|
|  |              | Supreme Court                 | High Court    | Appellate Tribunal* | Appellate Authority** | State Government |                 |
| Customs Act, 1962 (Custom Duty Including Penalty & Interest, wherever applicable)                  | 1997 to 2014 | -                             | 32.56         | 127.05              | 161.57                | -                | 321.18          |
| Central Excise Act, 1944 (Excise Duty Including Penalty & Interest, wherever applicable)           | 1997 to 2014 | 0.24                          | 128.50        | 157.06              | 160.05                | -                | 445.85          |
| Sales Tax legislations (sales tax, including penalty & interest wherever applicable)               | 1982 to 2014 | -                             | 3.57          | 2,334.21            | 1,664.27              | -                | 4,002.05        |
| Service Tax  | 2005 to 2014 | -                             | -             | -                   | 39.17                 | -                | 39.17           |
| Electricity Tax  | 2003 to 2014 | 2,511.24                      | -             | -                   | -                     | -                | 2,511.24        |
| Local cess, local cess surcharge (land revenue including penalty and interest wherever applicable) | 1989 to 2014 | -                             | -             | -                   | -                     | 12.49            | 12.49           |
| <b>GRAND TOTAL</b>   |              | <b>2,511.48</b>               | <b>164.63</b> | <b>2,618.32</b>     | <b>2,025.06</b>       | <b>12.49</b>     | <b>7,331.98</b> |

\* Appellate Tribunal includes STAT, CESTAT & ITAT

\*\* Appellate Authority includes Commissioner Appeals, Assistant Commissioner Appeals, Deputy Commissioner Appeals, Joint Commissioner Appeals and Deputy Commissioner Commercial Taxes Appeals





- x. The company does not have any accumulated losses at the end of the financial year. The company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi. On the basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institutions / Banks or Debenture holders.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund or a niche or a mutual benefit society. Therefore the provisions of sub para (xiii) of para 4 of the Order are not applicable to the Company.
- xiv. In respect of shares, securities and other investments dealt in or traded by the Company, proper records have been maintained of the transactions and contracts and timely entries have been made therein. All the investments are held by the Company in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for any loans taken by others from any bank or financial institution.
- xvi. In our opinion, the term loans taken during the year have, prima facie, been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us, based on an overall examination of the balance sheet of the Company, related information made available to us and as represented to us by the Management, funds raised on short term basis of Rs. 6,911.25 lacs, have been used during the year for long term purposes.
- xviii. The Company has not made preferential allotment of shares during the year to the promoters and a promoter group company covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures during the year and therefore the question of creating security or charge in respect thereof does not arise.
- xx. The Company has not made any public issue of any securities during the year and therefore the question of disclosing the end-use of money raised by any public issue does not arise.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.

---

For V. Sankar Aiyar & Co.,  
Chartered Accountants.  
FRN 109208W

Place: Mumbai  
Dated: 19th May, 2014

[ S. Venkatraman ]  
Partner  
Membership No. 34319



## Balance Sheet

### AS AT 31<sup>ST</sup> MARCH, 2014

|   | Note          | As at<br>31.03.2014<br>Rs. in lacs | As at<br>31.03.2013<br>Rs. in lacs |
|---|---------------|------------------------------------|------------------------------------|
| <b>EQUITY AND LIABILITIES</b>   |               |                                    |                                    |
| <b>Shareholders' Funds :</b>  |               |                                    |                                    |
| Share Capital   | 2             | 4,195.82                           | 4,195.82                           |
| Reserves and Surplus  | 3             | 51,451.82                          | 48,587.38                          |
| <b>Non-current liabilities</b>  |               |                                    |                                    |
| Long-term borrowings  | 4             | 58,777.84                          | 38,771.76                          |
| Deferred tax liabilities (net)  | 5             | 11,590.06                          | 11,095.22                          |
| Long-term provisions  | 6             | 969.83                             | 860.01                             |
| <b>Current liabilities</b>  |               |                                    |                                    |
| Short-term borrowings   | 7             | 1,443.23                           | 7,317.20                           |
| Trade payable   | 8             | 37,867.79                          | 21,308.03                          |
| Other current liabilities   | 9             | 11,574.34                          | 20,748.02                          |
| Short-term provisions   | 10            | 1,138.66                           | 1,920.34                           |
| <b>TOTAL</b>  |               | <b>179,009.39</b>                  | <b>154,803.78</b>                  |
| <b>ASSETS</b>   |               |                                    |                                    |
| <b>Non-current assets</b>   |               |                                    |                                    |
| Fixed Assets  |               |                                    |                                    |
| Tangible assets   | 11            | 66,127.04                          | 66,358.02                          |
| Capital work in progress  |               | 71,792.87                          | 44,166.99                          |
| Non-current investments   | 12            | 32.39                              | 32.39                              |
| Long-term loans and advances  | 13            | 1,737.57                           | 1,264.57                           |
| Other non-current assets  | 14            | 1,109.48                           | 1,109.00                           |
| <b>Current assets</b>   |               |                                    |                                    |
| Inventories   | 15            | 20,361.32                          | 23,106.00                          |
| Trade receivables   | 16            | 9,431.08                           | 9,279.74                           |
| Cash and bank balances  | 17            | 341.28                             | 523.19                             |
| Short-term loans and advances   | 18            | 8,076.36                           | 8,829.06                           |
| Other Current Assets  | 19            | -                                  | 134.82                             |
| <b>TOTAL</b>  |               | <b>179,009.39</b>                  | <b>154,803.78</b>                  |
| Summary of Significant Accounting Policies<br>other Notes to the Financial Statements | 1<br>30 to 44 |                                    |                                    |

As per our Report attached

For V. Sankar Aiyar & Co.  
Chartered Accountants  
FRN No. 109208W  
S. Venkatraman  
Partner  
Membership No. 34319  
Place : Mumbai  
Dated : 19<sup>th</sup> May, 2014

Jigna Karnick  
Dy. Company Secretary

For and on behalf of the Board

Pramod Kumar Jain  
Chairman & Managing Director  
Bakul Jain  
Vivek Jain  
Mudit Jain  
Managing Directors  
Vimal Jain  
Chief Financial Officer



**STATEMENT OF PROFIT AND LOSS**  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

|  | Note     | For the year ended<br>31.03.2014<br>Rs. in lacs | For the year ended<br>31.03.2013<br>Rs. in lacs |
|--|----------|---|---|
| <b>Revenue from Operations</b>   | 20       | 145,937.84                                      | 143,730.66                                      |
| Less : Excise Duty   |          | 13,382.63                                       | 10,950.70                                       |
| Revenue from Operations, (net)   |          | 132,555.21                                      | 132,779.96                                      |
| Other Income   | 21       | 131.42  | 288.83  |
| <b>Total Revenue</b>   |          | <b>132,686.63</b>                               | <b>133,068.79</b>                               |
| <b>Expenses:</b>   |          |   |   |
| Cost of materials consumed   | 22       | 69,615.01                                       | 60,680.89                                       |
| Purchase of stock-in-trade   | 23       | 218.77  | 23.44   |
| Changes in inventories of finished goods,<br>work-in progress and stock-in-trade | 24       | (1,825.03)                                      | (3,505.56)                                      |
| Excise duty on inventory differential  | 25       | (206.11)  | (158.47)  |
| Employee benefits expense  | 26       | 8,266.22  | 8,908.48  |
| Finance costs  | 27       | 2,702.96  | 3,212.76  |
| Depreciation   | 28       | 5,101.92  | 5,290.88  |
| Other expenses   | 29       | 43,593.52                                       | 41,985.15                                       |
| <b>Total Expenses</b>  |          | <b>127,467.26</b>                               | <b>116,437.57</b>                               |
| Profit before exceptional and extraordinary items and tax                        |          | 5,219.37  | 16,631.22                                       |
| Exceptional Items - Loss on Sale of Asset  |          | -   | 590.20  |
| Profit before extraordinary items and tax  |          | 5,219.37  | 16,041.02                                       |
| Extraordinary Items  |          | -   | -   |
| Profit before tax  |          | 5,219.37  | 16,041.02                                       |
| <b>Tax expense:</b>  |          |   |   |
| Current Tax  |          | 1,107.81  | 3,255.00  |
| MAT Credit Utilised/ (Available for setoff)                                      |          | (84.59)   | 371.00  |
| Deferred tax   |          | 494.84  | 1,913.50  |
| Tax Adjustments in respect of earlier years                                      |          | (86.63)   | 12.67   |
| Profit/(Loss) for the period from continuing operations                          |          | 3,787.94  | 10,488.85                                       |
| Profit / (Loss) from discontinuing operations                                    |          | -   | -   |
| Tax expense of discontinuing operations  |          | -   | -   |
| Profit / (Loss) for the period   |          | 3,787.94  | 10,488.85                                       |
| <b>Earning per equity share:</b>   |          |   |   |
| Basic ( Face Value of Rs. 2/- each)  |          | 1.81  | 5.05  |
| Diluted ( Face Value of Rs. 2/- each)  |          | 1.81  | 5.05  |
| Summary of Significant Accounting Policies                                       | 1        |   |   |
| Other Notes to the Financial Statements  | 30 to 44 |   |   |

As per our Report attached

For V. Sankar Aiyar & Co.

Chartered Accountants

FRN No. 109208W

S. Venkatraman

Partner

Membership No. 34319

Place : Mumbai

Dated : 19<sup>th</sup> May, 2014

Jigna Karnick

Dy. Company Secretary

For and on behalf of the Board

Pramod Kumar Jain

Chairman & Managing Director

Bakul Jain

Vivek Jain

Mudit Jain

Managing Directors

Vimal Jain

Chief Financial Officer



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

| Particulars  | 2013-14<br>Rs in Lacs | 2012-13<br>Rs in Lacs |
|--|-----------------------|-----------------------|
| <b>A. Cash flow from operating Activities</b>            |                       |                       |
| Net profit before tax                                    | 5,219.37              | 16,041.01             |
| Adjustments for :  |                       |                       |
| Non-cash items   |                       |                       |
| Depreciation   | 5,101.92              | 5,290.88              |
| Unrealised foreign exchange loss/ (gain) (net)           | -                     | -                     |
| Finance Costs  | 2,702.96              | 3,212.76              |
| Interest income  | (49.07)               | (59.46)               |
| (Profit) / Loss on Sale of Asset                         | 65.88                 | 608.55                |
| Dividend income  | (6.24)                | (48.53)               |
|  | 7,815.45              | 9,004.20              |
| Operating profit before working capital changes          | 13,034.82             | 25,045.21             |
| Adjustments for :  |                       |                       |
| Trade and other receivables                              | 456.51                | (176.07)              |
| Inventories  | 2,744.68              | (7,286.87)            |
| Trade and other payables                                 | 8,846.12              | 5,314.38              |
|  | 12,047.31             | (2,148.56)            |
| <b>Cash generation from operations</b>                   | 25,082.13             | 22,869.65             |
| Direct taxes paid  | (1,912.02)            | (2,258.75)            |
| <b>Net cash flow from operating Activities</b>           | 23,170.11             | 20,637.90             |
| <b>B. Cash flow from Investing Activities</b>            |                       |                       |
| Purchase of fixed Assets                                 | (32,655.30)           | (26,686.26)           |
| Sale of Fixed Assets                                     | 52.69                 | 545.38                |
| Purchase / Sales of Investments                          | -                     | -                     |
| Investment in Fixed Deposits pledged towards             |                       |                       |
| Margin Money   | 32.29                 | (55.01)               |
| Dividend Income  | 6.24                  | 48.53                 |
| Interest income  | 49.07                 | 59.46                 |
| <b>Net cash used in investing Activities</b>             | (32,515.01)           | (26,087.90)           |
| <b>C. Cash from financing activities</b>                 |                       |                       |
| Proceeds from issue of share capital                     | -                     | 552.00                |
| Proceeds from Long-Term Borrowings                       | 26,908.80             | 16,231.58             |
| Repayment of Long Term Borrowings                        | (8,273.89)            | (7,429.92)            |
| Short Term Borrowings (Net)                              | (5,873.95)            | (0.81)                |
| Finance Costs  | (2,682.03)            | (3,227.21)            |
| Dividend paid  | (755.25)              | (731.16)              |
| Tax on dividend  | (128.39)              | (118.61)              |
| <b>Net cash used in financing Activities</b>             | 9,195.29              | 5,275.87              |
| <b>Net increase in Cash and Cash equivalents</b>         | (149.61)              | (174.13)              |
| <b>Cash &amp; Cash Equivalents as at 1st April 2013</b>  | 313.11                | 487.24                |
| <b>Cash &amp; Cash Equivalents as at 31st March 2014</b> | 163.50                | 313.11                |
|  | 149.61                | 174.13                |

As per our Report attached

For V. Sankar Aiyar & Co.

Chartered Accountants

FRN No. 109208W

S. Venkatraman

Partner

Membership No. 34319

Place : Mumbai

Dated : 19<sup>th</sup> May, 2014

Jigna Karnick

Dy. Company Secretary

For and on behalf of the Board

Pramod Kumar Jain

Chairman & Managing Director

Bakul Jain

Vivek Jain

Mudit Jain

Managing Directors

Vimal Jain

Chief Financial Officer



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014:

### NOTE NO. 1

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1. SYSTEM OF ACCOUNTING:

- a. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.
- b. The financial statements have been prepared in all material respects with accounting standards as notified in the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.
- c. Financial statements are prepared on historical cost basis and as a going concern, adjusted for revaluation / diminution in value of certain fixed assets.

##### 2. USE OF ESTIMATES:

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

##### 3. FIXED ASSETS AND DEPRECIATION:

###### A) Fixed Assets

Fixed Assets are stated at their original cost, net of Cenvat Credit where applicable (including expenses related to acquisition and installation) except certain Fixed Assets which are adjusted for revaluation.

###### B) Depreciation and Amortization:

Depreciation is charged in the Accounts on straight line method as under:

- a) On assets revalued at Sahupuram Unit on 31-3-93 @ 3 % on the revalued cost based on revision in useful life estimated by the valuer (Refer Note 11.1).
- b) On fixed assets added pursuant to the amalgamation of Pantape Magnetics Limited with the Company, at rates specified in Schedule XIV to the Companies Act, 1956 on the revalued cost.
- c) On balance fixed assets of the company at rates specified in Schedule XIV to the Companies Act, 1956 on the original cost.
- d) On fixed assets added/disposed of during the year, on pro-rata basis with reference to the month of addition/disposal.
- e) On Technical Know-how fees at 33.33%

##### 4. REVENUE RECOGNITION:

Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefit will follow to the company.

- a) Sales: Revenue from sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts, excise duty, sales returns.
- b) Interest: Revenue is recognized on time proportion basis taking into account the outstanding amount and the applicable rate of interest
- c) Dividends: Revenue is recognized when the right to receive payment is established.

##### 5. EXPENDITURE DURING CONSTRUCTION AND ON NEW PROJECTS:

In the case of new projects and in the case of modernization/expansion of existing units, interest on borrowings for the same and all pre-operative expenditure, incurred during implementation up to the date of installation are included under Capital Work in Progress and capitalized by adding pro-rata to the cost of the assets.

##### 6. INVESTMENTS:

The Company's investments comprise long term and current investments. Long Term investments are stated at cost less permanent diminution, if any, in value. Current investments are stated at lower of cost or fair value.



## **7. INVENTORIES:**

Inventories are valued at lower of cost and net realizable. Stores, spares and stock in process and fuel are valued at lower of cost less provision for slow and non-moving inventory, if any, and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Scrap and by products which are valued at net realizable value. Cost is computed on weighted average basis and includes cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

## **8. ACCOUNTING FOR CENVAT AND SERVICE TAX CREDITS**

Cenvat credit available on Raw Materials, Fuel and Packing materials, stores, spares and Capital goods and Service tax credit on services availed are accounted for by reducing purchase cost of the related material or the expenses respectively and Cenvat Credit available on fixed assets is accounted by reducing the same from the cost of respective fixed assets.

## **9. FOREIGN CURRENCY TRANSACTIONS**

- a) Transactions in Foreign Currency are recorded at the exchange rates prevailing on the date of Transactions.
- b) Monetary items denominated in foreign currencies (such as cash receivables, payables, etc.) outstanding at the year end, are translated at exchange rate applicable as of that date.
- c) Non-monetary items denominated in foreign currency (such as investments, fixed assets, etc.) are valued at the exchange rate prevailing on the date of transaction.
- d) Any gains or losses arising due to exchange differences at the time of translation or settlement are accounted in the Profit & Loss Account, except as indicated in Note No 11.2 (Fixed Assets Schedule)
- e) Premium/discounts on forward exchange contracts are amortized over the life of the contract and recognized in the Profit and Loss account, exchange differences on such contracts are recognized in the profit and loss account in the reporting period in which the exchange rates change.

## **10. RESEARCH & DEVELOPMENT EXPENDITURE:**

Revenue Expenditure on Research & Development is charged to Statement of Profit and Loss. Capital expenditure on Research & Development is shown as an addition to fixed assets.

## **11. BORROWING COSTS:**

Borrowing costs attributable to acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

## **12. EMPLOYEE BENEFITS:**

- a) Contributions to Provident fund are made to recognized funds and are charged to Profit & Loss Account. The interest rate payable by recognized Provident Fund shall not be lower than the statutory rate of interest declared by Central Government and shortfall, if any, shall be made good by the company.
- b) The Superannuation Fund is a Defined Contribution Scheme managed by LIC and SBI Life Insurance Company and contributions made to the fund are charged to Profit and Loss Account.
- c) The company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. The Gratuity liability is provided based on actuarial valuation arrived on the basis of projected unit credit method are determined at the end of each year.
- d) Liabilities towards Leave Encashment Benefit are provided for based on actuarial valuation done at the year end.
- e) Contribution to Employee Pension Scheme 1995, are accounted on accrual basis with corresponding remittance made to Government Provident Fund authority.

## **13. PROVISIONS & CONTINGENCIES:**

- a. Show cause notices of Government Authorities are not considered as obligation till demand notices are issued against such show cause notices. The demand notices when issued are considered as disputed obligations.



- b. A provision arising out of a present obligation is recognized when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated
- c. Wherever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liability.

#### 14. TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence as per Accounting Standard–22 (Accounting for taxes on income) on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only to the extent that there is timing difference, the reversal of which will result in sufficient income. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.

#### 15. IMPAIRMENT OF ASSET

The carrying amount of assets are reviewed at each balance sheet date for indication of any impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount. Any such impairment loss is recognized by charging it to the profit and loss account. A previously recognized impairment loss is reversed where it no longer exists and the asset is restated to that effect.

#### NOTE "2"

##### SHARE CAPITAL

##### Authorised Capital

32,50,00,000 Equity Shares of Rs. 2/- each  
(Previous Year 32,50,00,000 Equity Shares @ Rs. 2/- each)

##### TOTAL

Issued, Subscribed and Fully paid up

20,97,90,953 Equity Shares of Rs. 2/- each  
(Previous Year 20,97,90,953 shares of Rs. 2/- each)

Par value per share

##### TOTAL

| AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|------------------------------------|------------------------------------|
| 6,500.00                           | 6,500.00                           |
| <b>6,500.00</b>                    | <b>6,500.00</b>                    |
| 4,195.82                           | 4,195.82                           |
| <b>Rs. 2/-</b>                     | <b>Rs. 2/-</b>                     |
| <b>4,195.82</b>                    | <b>4,195.82</b>                    |

- a) 2,36,10,000 Shares were issued and allotted on preferential basis to the Promoters of the company and FII's during 2007–08.
- b) 1,36,36,363 Shares were issued and allotted to promoters on conversion of warrants issued on preferential basis to promoters group during 2011–13.
- c) Name of Share Holders holding more than 5% shares

| Name of Shareholder  | As at 31.3.2014 |        | As at 31.3.2013 |        |
|----------------------|-----------------|--------|-----------------|--------|
|                      | No. of Shares   | % held | No. of Shares   | % held |
| Sahu Brothers P. Ltd | 5,01,48,156     | 23.90  | 5,01,48,156     | 23.90  |

The reconciliation of the number of shares outstanding is set out below :

| Particulars  | As at 31.3.2014 | As at 31.3.2013 |
|--|-----------------|-----------------|
|  | No. of Shares   | No. of Shares   |
| Equity Shares at the beginning of the year                                       | 20,97,90,953    | 20,31,00,045    |
| Add : Shares issued on conversion of warrants to Promoters on preferential basis | -               | 66,90,908       |
| Equity Shares at the end of the Year   | 20,97,90,953    | 20,97,90,953    |



## NOTES

### FORMING PART OF THE BALANCE SHEET

|  | AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|--|------------------------------------|------------------------------------|
| <b>NOTE "3"</b>                          |                                    |                                    |
| <b>Reserves and Surplus</b>              |                                    |                                    |
| <b>Capital Reserves</b>                  |                                    |                                    |
| As per last Balance Sheet                | 406.88                             | 406.88                             |
| Closing Balance                          | 406.88                             | 406.88                             |
| <b>Capital Redemption Reserve</b>        |                                    |                                    |
| As per last Balance Sheet                | 5.30                               | 5.30                               |
| Closing Balance                          | 5.30                               | 5.30                               |
| <b>Securities Premium Reserve</b>        |                                    |                                    |
| Opening Balance                          | 10,667.97                          | 10,065.79                          |
| Add: Additions During the Period         | -                                  | 602.18                             |
| Closing Balance                          | 10,667.97                          | 10,667.97                          |
| <b>Revaluation Reserve</b>               |                                    |                                    |
| Opening Balance                          | 809.16                             | 835.04                             |
| Less: Transfer to Profit & Loss A/c      | 39.89                              | 25.88                              |
| Closing Balance                          | 769.27                             | 809.16                             |
| <b>General Reserve</b>                   |                                    |                                    |
| Opening Balance                          | 28,801.04                          | 24,801.04                          |
| Add: Additions During the Period         | 2,500.00                           | 4,000.00                           |
| Closing Balance                          | 31,301.04                          | 28,801.04                          |
| <b>Surplus</b>                           |                                    |                                    |
| Opening Balance                          | 7,897.03                           | 2,291.82                           |
| Add: Profit / (Loss) for the period      | 3,787.94                           | 10,488.85                          |
| Less: Transfer to General Reserve        | 2,500.00                           | 4,000.00                           |
| Less: Proposed Dividend on Equity Shares | 755.25                             | 755.25                             |
| Less: Tax on Dividend                    | 128.36                             | 128.39                             |
| Closing Balance                          | 8,301.36                           | 7,897.03                           |
| <b>TOTAL</b>                             | <b>51,451.82</b>                   | <b>48,587.38</b>                   |
| <b>NOTE "4"</b>                          |                                    |                                    |
| <b>Long-term Borrowings</b>              |                                    |                                    |
| <b>Term Loans</b>                        |                                    |                                    |
| From banks                               | 31,993.48                          | 21,791.77                          |
| From Financial Institutions              | 26,784.36                          | 16,978.69                          |
| From NBFC                                | -                                  | 1.30                               |
| <b>TOTAL</b>                             | <b>58,777.84</b>                   | <b>38,771.76</b>                   |





**NOTES**  
**FORMING PART OF THE BALANCE SHEET**

Rs. in lacs

| SR NO | PARTICULARS  | 31.3.2014        | 31.3.2014          | 31.3.2013        | 31.3.2013          |
|-------|--|------------------|--------------------|------------------|--------------------|
|       |  | Non Current      | Current Maturities | Non Current      | Current Maturities |
|       | <b>TERM LOANS – SECURED</b>  |                  |                    |                  |                    |
| A     | <b>FROM BANKS :</b>  |                  |                    |                  |                    |
| 1     | <b>TERM LOANS FROM STATE BANK OF INDIA SYNDICATION</b><br>(Repayble in 24 equal quarterly Installment, last installment falling due in August, 2014) | -                | 875.78             | 877.63           | 1,748.00           |
| 2     | <b>TERM LOAN FROM STATE BANK OF PATIALA</b><br>(Repayble in 24 equal quarterly Installment, last instalment falling due in September, 2014)          | -                | 625.00             | 625.00           | 1,250.00           |
| 3     | <b>TERM LOAN FROM STATE BANK OF TRAVANCORE</b><br>(Repayble in 8 equal quarterly installments, last Installment falling due in June, 2013)           | -                | -                  | -                | 312.50             |
| 4     | <b>TERM LOAN FROM ING VYSYA BANK LTD</b><br>(Repayble in 24 equal quarterly instalments, last Installment falling due on June, 2017)                 | 650.11           | 342.59             | 966.41           | 342.59             |
| 5     | <b>ECB FROM ICICI BANK</b><br>(Repayble in 24 equal quarterly installments, last Installment falling due in December, 2015)                          | 1,996.99         | 1,996.99           | 3,618.66         | 1,809.33           |
| 6     | <b>TERM LOAN FROM ICICI BANK LTD</b><br>(Repayble in 28 equal quarterly installments, last Installment falling due in June, 2022)                    | 7,249.65         | -                  | 5,507.08         | -                  |
| 7     | <b>TERM LOAN FROM LAXMI VILAS BANK</b><br>(Repayble in 16 equal quarterly installments, last Installment falling due in June, 2016)                  | 2,000.00         | 1,000.00           | 3,000.00         | 1,000.00           |
| 8     | <b>Term Loan from PNB</b><br>(Repayble in 28 equal quarterly installments, last Installment falling due in June, 2022)                               | 12,443.34        | -                  | 7,125.00         | -                  |
| 9     | <b>Term Loan from ICICI Bank</b><br>(Repayble in 28 equal quarterly installments, last Installment falling due in April, 2023)                       | 2,500.00         | -                  | -                | -                  |
| 10    | <b>TERM LOAN FROM STATE BANK OF TRAVANCORE</b><br>(Repayble in 28 equal quarterly installments, last Installment falling due in April, 2023)         | 2,314.17         | -                  | -                | -                  |
| 11    | <b>Term Loan From Development Credit Bank</b><br>(Repayble in 16 equal quarterly installments, last Installment falling due in December, 2018)       | 2,750.00         | 250.00             | -                | -                  |
| 12    | <b>Car Loans from Bank</b><br>(Repayable in monthly installments, last Installment is due in Mar, 2016)  | 89.22            | 105.50             | 71.99            | 104.29             |
|       | <b>TOTAL – A</b>   | <b>31,993.48</b> | <b>5,195.87</b>    | <b>2,1791.77</b> | <b>6,566.71</b>    |
| B     | <b>FROM INSTITUTIONS :</b>   |                  |                    |                  |                    |
| 13    | <b>TERM LOAN FROM IREDA</b><br>(Repayble in 44 equal quarterly Installment, last instalment falling due in June, 2022)                               | 5,825.49         | 729.56             | 6,555.05         | 729.56             |
| 14    | <b>TERM LOAN FROM EXIM BANK</b><br>(Repayble in 24 equal quarterly Installment, last Installment falling due in June, 2016)                          | 243.79           | 976.00             | 1,219.47         | 976.00             |
| 15    | <b>TERM LOAN FROM EXIM BANK</b><br>(Repayble in 28 equal quarterly installments, last Installment falling due in in Sept, 2022)                      | 17,715.08        | -                  | 9,204.17         | -                  |
| 16    | <b>TERM LOAN FROM EXIM BANK</b><br>(Repayble in 28 equal quarterly Installment, last Installment falling due in in Sept, 2024)                       | 3,000.00         | -                  | -                | -                  |
|       | <b>TOTAL – B</b>   | <b>26,784.36</b> | <b>1,705.56</b>    | <b>16,978.69</b> | <b>1,705.56</b>    |
| C     | <b>FROM NBFC</b>   |                  |                    |                  |                    |
| 17    | <b>Term Loan - NBFC</b>  | -                | 1.30               | 1.30             | 1.62               |
|       | <b>TOTAL C</b>   | <b>-</b>         | <b>1.30</b>        | <b>1.30</b>      | <b>1.62</b>        |
|       | <b>Amount taken to current maturities of long term debts under other current liabilities ( Note No 9 )</b>   | -                | 6,902.73           |                  | 8,273.89           |
|       | <b>TOTAL (A+B+C)</b>   | <b>58,777.84</b> | <b>-</b>           | <b>38,771.76</b> | <b>8,273.89</b>    |



## NOTES

### FORMING PART OF THE BALANCE SHEET

#### LOANS – Security : Banks/ Institutions

Term Loans and External Commercial Borrowings from Banks and Institutions are secured by a pari-passu first charge by way of hypothecation of movable fixed assets of the Company, including movable machinery spares, stores and further secured by mortgage on all the immovable properties of the Company situated in the states of Tamilnadu and Gujarat on first pari-passu charge basis and second charge on Current Assets.

#### Institutions:

The term loans from Institutions are secured by first charge on moveable properties and assets pertaining to windmill assets in the state of Rajasthan on specific charge basis.

#### NBFC:

Term loan from NBFC are secured by creation of charge on all the assets purchased under the loan.

|                                       | AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|---------------------------------------|------------------------------------|------------------------------------|
| <b>NOTE "5"</b>                       |                                    |                                    |
| <b>Deferred tax liabilities (net)</b> |                                    |                                    |
| Deferred Tax Liability                | 12,013.84                          | 11,421.61                          |
| Less: Deferred Tax Asset              | 423.78                             | 326.39                             |
| <b>TOTAL</b>                          | <b>11,590.06</b>                   | <b>11,095.22</b>                   |
|                                       |                                    | (Rs. in lacs)                      |

The break up of Deferred Tax Assets/ Liabilities are as under :

| Nature of timing difference                        | Deferred Tax Liability / (Asset) as at 1st April, 2013 | (Debit/Credit) for the year | Deferred Tax Liability/ (Assets) as at 31st March, 2014 |
|--|--|-----------------------------|---|
| <b>(a) Deferred tax liabilities</b>                |  |                             |   |
| Difference between accounting and tax Depreciation | 11421.61   | 592.23                      | 12013.84  |
| <b>Sub-total</b>                                   | 11421.61   | 592.23                      | 12013.84  |
| <b>(b) Deferred tax assets</b>                     |  |                             |   |
| Expenses allowed on payment basis                  | 441.30   | 97.39                       | 538.69  |
| Unabsorbed depreciation                            | (114.91)   | -                           | (114.91)  |
| <b>Sub-total</b>                                   | 326.39   | 97.39                       | 423.78  |
|  | 11,095.22  | 494.84                      | 11,590.06   |

|   | AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|---|------------------------------------|------------------------------------|
| <b>NOTE "6"</b>                                   |                                    |                                    |
| <b>Long term provisions</b>                       |                                    |                                    |
| Provision for Leave Encashment & Gratuity         | 969.83                             | 860.01                             |
| <b>TOTAL</b>                                      | <b>969.83</b>                      | <b>860.01</b>                      |
| <b>NOTE "7"</b>                                   |                                    |                                    |
| <b>Short-term borrowings (from Banks Secured)</b> |                                    |                                    |
| Loans repayable on demand                         |                                    |                                    |
| Working Capital                                   | 429.74                             | 3,560.90                           |
| Line of Credit                                    | 1,013.49                           | 3,756.30                           |
| <b>TOTAL</b>                                      | <b>1,443.23</b>                    | <b>7,317.20</b>                    |



## NOTES

### FORMING PART OF THE BALANCE SHEET

#### LOANS – Security

Loans from Banks & Working Capital facilities are secured by a first charge by way of hypothecation and/or pledge of current assets, namely, stocks of materials and finished goods, consumable stores and spares including machinery spares not capitalized, bills receivable and book debts and further secured by a second charge by way of hypothecation over all of movable plant and machinery and by way of mortgage by deposit of title deeds over the immovable properties, both present and future, such mortgage to rank second to the mortgages created/to be created in favour of Term Loan Lenders viz., Banks / Financial Institutions.

|  | AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|--|------------------------------------|------------------------------------|
| <b>NOTE "8"</b>  |                                    |                                    |
| <b>Trade Payables</b>  |                                    |                                    |
| Acceptances against Letters of Credit  | 28,207.83                          | 16,263.13                          |
| Dues of Micro and Small Enterprises (Refer Note No. 39)  | 29.69                              | 39.48                              |
| Sundry Creditors (other than dues of Micro and Small Enterprises)                                    | 9,630.27                           | 5,005.42                           |
| <b>TOTAL</b>   | <b>37,867.79</b>                   | <b>21,308.03</b>                   |
| <b>NOTE "9"</b>  |                                    |                                    |
| <b>Other current liabilities</b>   |                                    |                                    |
| Current maturities of long term borrowings   |                                    |                                    |
| From banks   | 5,195.87                           | 6,566.71                           |
| From Financial Institutions  | 1,705.56                           | 1,705.56                           |
| From NBFC  | 1.30                               | 1.62                               |
| Interest accrued but not due on borrowings   | 192.59                             | 171.67                             |
| Unclaimed dividends #  | 63.78                              | 69.60                              |
| Unpaid matured deposits and interest accrued thereon   | 0.04                               | 0.04                               |
| Advance received from customers  | 55.65                              | 6,670.69                           |
| Statutory Liabilities  | 1,562.57                           | 1,087.57                           |
| Employee related liabilities   | 1,050.22                           | 1,713.77                           |
| Trade and Other Deposits   | 462.40                             | 529.99                             |
| Creditors for Capital Goods  | 1,284.36                           | 2,230.80                           |
| # Do not include any amount due & outstanding to be credited to investor education & protection fund |                                    |                                    |
| <b>TOTAL</b>   | <b>11,574.34</b>                   | <b>20,748.02</b>                   |
| <b>NOTE "10"</b>   |                                    |                                    |
| <b>Short-term provisions</b>   |                                    |                                    |
| Proposed Dividend - Equity   | 755.25                             | 755.25                             |
| Tax on Dividend  | 128.36                             | 128.39                             |
| Provision for taxation (Net of Advance Tax)  | 255.05                             | 1,036.70                           |
| <b>TOTAL</b>   | <b>1,138.66</b>                    | <b>1,920.34</b>                    |

**NOTES**  
**FORMING PART OF THE BALANCE SHEET**

**NOTE "11"**

Fixed Assets

| Description of Assets | Gross Block As at 1st Apr-13 | Additions and other transfers | Adjustment (Ref. Note No. 11.2) | Sales and other deductions | At cost or revaluation book value 31st March 14 | Depreciation as on 1st April-13 | Adjustments for the year | Dep. On Discarded/Sold Assets | As at 31st March 14 | Net Block As at 31st March 14 | As at 31st March 13 |
|-----------------------|------------------------------|-------------------------------|---------------------------------|----------------------------|---|---------------------------------|--------------------------|-------------------------------|---------------------|-------------------------------|---------------------|
| Land                  | 531.43                       | 0.50                          | -                               | -                          | 531.93  | -                               | -                        | -                             | -                   | 531.93                        | 531.43              |
| Buildings             | 9,500.06                     | 422.77                        | (467.49)                        | -                          | 9,455.34  | 2,723.87                        | 243.94                   | -                             | 2,830.04            | 6,625.30                      | 6,776.19            |
| Plant and Machinery   | 86,420.89                    | 3,726.15                      | 981.49                          | 9.34                       | 91,119.19                                       | 39,460.29                       | 4,053.38                 | 7.13                          | 43,644.31           | 47,474.88                     | 46,960.60           |
| Wind Mill             | 12,080.41                    | 51.10                         | -                               | -                          | 12,131.51                                       | 1,290.53                        | 638.30                   | -                             | 1,928.83            | 10,202.68                     | 10,789.88           |
| Furniture & Fittings  | 646.83                       | 51.46                         | -                               | -                          | 698.29  | 442.53                          | 37.64                    | -                             | 480.17              | 218.12                        | 204.30              |
| Office Equipments     | 558.26                       | 33.78                         | -                               | 1.06                       | 590.98  | 323.34                          | 30.31                    | 0.17                          | 353.48              | 237.50                        | 234.92              |
| Vehicles              | 1,601.50                     | 229.66                        | -                               | 242.22                     | 1,588.94  | 740.80                          | 138.26                   | 126.75                        | 752.31              | 836.63                        | 860.70              |
| <b>Total</b>          | <b>111,339.38</b>            | <b>4,515.42</b>               | <b>514.00</b>                   | <b>252.62</b>              | <b>116,116.18</b>                               | <b>44,981.36</b>                | <b>5,141.83</b>          | <b>134.05</b>                 | <b>49,989.14</b>    | <b>66,127.04</b>              | <b>66,358.02</b>    |
| Previous Year         | 112,982.35                   | 4,139.09                      | -                               | 5,782.06                   | 111,339.38                                      | 44,292.74                       | 5,316.76                 | 4,628.14                      | 44,981.36           | 66,358.02                     | 68,689.61           |

**Notes :**

- 11.1 The Depreciation charge on the assets revalued on 31.03.1993 is more by Rs. 39.90 Lacs ( Previous year Rs. 25.88 Lacs ) than the depreciation charge thereon under section 205 (2) (b) of the Companies Act, 1956 and the same is met by drawing from Revaluation Reserve. The Uplift on revalued assets discarded amounting to Rs. Nil ( Previous Year Rs. Nil ) has also been met by drawing from Revaluation Reserve.
- 11.2 The Company opted for accounting foreign exchange difference on realignment of long term foreign currency loan related to acquisition of depreciable capital assets, as per AS 11 amended by the Companies ( Accounting Standard ) Amendment Rules 2009. Accordingly exchange difference of Rs. 514 Lacs ( Previous Year Rs. 376.67 Lacs ) relating to current year has been added to the cost of fixed assets and depreciation charged to Profit & Loss Account and adjustment of Rs. 504.94 Lakhs towards grouping classification between Building and Plant & Machinery of Caustic Soda Division in previous years has been rectified.
- 11.3 Building includes Rs. 523.06 Lacs being cost of ownership flats and office accommodation in Co-operative Societies and a Limited Company against which the company holds shares of the face value of Rs. 0.77 Lacs in Co-operative Societies and the Limited Company.
- 11.4 Assignment deeds in respect of 9.13 acres of land at Caustic Soda Division, transferred by Central Government to the State Government, are yet to be executed by the State Government in favour of the Company.
- 11.5 Land, Building and Plant & Machinery located at Sahapuram Works ( other than PVC Division ) were revalued on 31st March 1993.
- 11.6 The Company exercised the option to purchase 793.39 acres of land leased by the State Government at Sahapuram works. Assignment deeds in respect of the said land is yet to be executed by the State Government in favour of the Company.
- 11.7 Encroachers have occupied some portion of the land belonging to the company at Sahapuram. Efforts are being made to evict them.
- 11.8 Previous Period figures have been regrouped/rearranged to match with the current year.



**NOTES**  
FORMING PART OF THE BALANCE SHEET

**NOTE "12"**

**INVESTMENTS (AT COST, UNLESS OTHERWISE SPECIFIED) :**

**INVESTMENTS IN EQUITY INSTRUMENTS :**

Rs. in lacs

|   | FACE VALUE<br>(RUPEES)<br>UNIT | 31.03.2014 |              | 31.03.2013 |              |
|---|--------------------------------|------------|--------------|------------|--------------|
|   |                                | LONG TERM  |              | LONG TERM  |              |
|   |                                | NOS.       | RUPEES       | NOS.       | RUPEES       |
| <b>TRADE INVESTMENTS</b>  |                                |            |              |            |              |
| <b>UNQUOTED :</b>   |                                |            |              |            |              |
| <b>EQUITY SHARES IN SUBSIDIARY COMPANY :</b>  |                                |            |              |            |              |
| DCW PIGMENT LIMITED   | 10                             | 50,000     | 5.00         | 50,000     | 5.00         |
| <b>NON-TRADE INVESTMENTS :</b>  |                                |            |              |            |              |
| <b>UNQUOTED :</b>   |                                |            |              |            |              |
| (i) <b>INVESTMENTS IN GOVERNMENT/ TRUST SECURITIES :</b>                              |                                |            |              |            |              |
| 7 YEARS NATIONAL SAVINGS CERTIFICATES   | 1000                           | 10         | 0.10         | 10         | 0.10         |
| (ii) <b>INVESTMENT IN EQUITY SHARES OF THE DHRANGADHRA PEOPLES CO-OP. BANK LTD.,*</b> | 25                             | 10         | 0.250        | 10         | 0.250        |
| (iii) <b>INVESTMENT IN EQUITY SHARES IN COMPANIES :</b>                               |                                |            |              |            |              |
| GLOBAL TRUST BANK   | 10                             | 19,000     | 1.90         | 19,000     | 1.90         |
| <b>LESS : PROVISION FOR DEMINUTION OF VALUE IN SHARES</b>                             |                                | 19,000     | 1.90         | 19,000     | 1.90         |
| <b>QUOTED :</b>   |                                |            |              |            |              |
| <b>INVESTMENTS IN EQUITY SHARES OF THE COMPANIES :</b>                                |                                |            |              |            |              |
| LIC HOUSING FINANCE LIMITED   | 2                              | 87,000     | 10.44        | 87,000     | 10.44        |
| TATA CONSULTANCY SERVICES   | 1                              | 12         | 0.03         | 12         | 0.03         |
| RELIANCE INDUSTRIES LIMITED   | 10                             | 3,504      | 16.82        | 3,504      | 16.82        |
|   |                                |            | <b>27.29</b> |            | <b>27.29</b> |
| <b>TOTAL LONG TERM INVESTMENT</b>   |                                |            | <b>32.39</b> |            | <b>32.39</b> |
| <b>.* Figures Denote Amount in Rupees</b>   |                                |            |              |            |              |
| <b>OTHER DISCLOSURES :</b>  |                                |            |              |            |              |
| (I) <b>Aggregate value of quoted investments (Gross)</b>                              |                                |            | 27.29        |            | 27.29        |
| <b>Market value of quoted investments</b>   |                                |            | 237.88       |            | 223.01       |
| (II) <b>Aggregate value of unquoted investments (Gross)</b>                           |                                |            | 7.00         |            | 7.00         |
| (III) <b>Aggregate value of diminution in value of investments</b>                    |                                |            | 1.90         |            | 1.90         |



## NOTES

### FORMING PART OF THE BALANCE SHEET

|   | AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|---|------------------------------------|------------------------------------|
| <b>NOTE "13"</b>  |                                    |                                    |
| <b>Long-term loans and advances</b>                         |                                    |                                    |
| Capital Advances  | 1,407.02                           | 949.02                             |
| Security Deposits   | 284.60                             | 278.14                             |
| Loans and advances to related parties<br>(Refer Note No.33) | 5.64                               | 5.64                               |
| Staff Loans & Advances                                      | 21.71                              | 19.56                              |
| Vat Refund Receivable A/C                                   | 18.60                              | 12.21                              |
| <b>TOTAL</b>  | <b>1,737.57</b>                    | <b>1,264.57</b>                    |
| <b>NOTE "14"</b>  |                                    |                                    |
| <b>Other non-current assets</b>                             |                                    |                                    |
| Receivable under Forward Cover Contracts                    | 386.67                             | 580.00                             |
| Mat Credit Entitlement                                      | 722.81                             | 529.00                             |
| <b>TOTAL</b>  | <b>1,109.48</b>                    | <b>1,109.00</b>                    |
| <b>NOTE "15"</b>  |                                    |                                    |
| <b>Inventories (As Certified by the Management)</b>         |                                    |                                    |
| Raw materials   | 9,370.36                           | 13,737.28                          |
| Work-in-process   | 44.78                              | 33.18                              |
| Finished goods  | 8,217.14                           | 6,197.61                           |
| Stores, Spares and Fuel                                     | 2,536.63                           | 2,902.19                           |
| Packing Materials   | 181.17                             | 188.98                             |
| Packing Drums & Scrap                                       | 2.66                               | 2.66                               |
| Coke dust, Gypsum   | -                                  | 35.52                              |
| Shares  | 8.58                               | 8.58                               |
| <b>TOTAL</b>  | <b>20,361.32</b>                   | <b>23,106.00</b>                   |

#### Investment in shares

|  | Face Value<br>Per Share (Rs.) | AS AT 31.03.2014 |                          | AS AT 31.03.2013 |                          |
|--|-------------------------------|------------------|--------------------------|------------------|--------------------------|
|  |                               | No of<br>Shares  | Amount<br>Rupees in lacs | No of<br>Shares  | Amount<br>Rupees in lacs |
| <b>Quoted</b>                            |                               |                  |                          |                  |                          |
| Reliance Industries Ltd                  | 10                            | 1,122            | 0.44                     | 1,122            | 0.44                     |
| Reliance Communication Ltd.,             | 5                             | 553              | -                        | 553              | -                        |
| Reliance Infrastructure Ltd.,            | 10                            | 41               | -                        | 41               | -                        |
| Reliance Power Ltd.,                     | 10                            | 138              | -                        | 138              | -                        |
| Reliance Capital Ltd.,                   | 10                            | 27               | -                        | 27               | -                        |
| Grasim Industries Ltd                    | 10                            | 700              | 2.01                     | 700              | 2.01                     |
| Ultratech Cements Ltd.,                  | 10                            | 400              | -                        | 400              | -                        |
| Ranbaxy Laboratories Ltd                 | 5                             | 5,426            | 5.60                     | 5,426            | 5.60                     |
| Reliance Industrial Infrastructure Ltd., | 10                            | 1,900            | 0.19                     | 1,900            | 0.19                     |
| Indian Telephone Industries Ltd.,        | 10                            | 3,400            | 0.34                     | 3,400            | 0.34                     |
| <b>TOTAL</b>                             |                               |                  | <b>8.58</b>              |                  | <b>8.58</b>              |



**NOTES**  
FORMING PART OF THE BALANCE SHEET

|  | AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|--|------------------------------------|------------------------------------|
| <b>NOTE "16"</b>   |                                    |                                    |
| <b>Trade Receivables</b>   |                                    |                                    |
| Trade Receivable outstanding for a period exceeding six months   |                                    |                                    |
| – Secured, considered good   | 30.00                              | 30.00                              |
| – Unsecured considered good  | 212.50                             | 640.34                             |
| – Doubtful   | 261.25                             | 261.25                             |
| Less: Provision for doubtful debts   | (261.25)                           | (261.25)                           |
| <b>Other Trade Receivables</b>   |                                    |                                    |
| – Unsecured, considered good   | 9,188.58                           | 8,609.40                           |
| <b>TOTAL</b>   | <b>9,431.08</b>                    | <b>9,279.74</b>                    |
| <b>NOTE "17"</b>   |                                    |                                    |
| <b>Cash and Cash Equivalents</b>   |                                    |                                    |
| Balances with Banks in current account   | 145.88                             | 303.07                             |
| Cheques,drafts on hand   | 0.06                               | 0.06                               |
| Cash on hand   | 17.56                              | 9.98                               |
| Other Bank Balances  | 163.50                             | 313.11                             |
| Fixed Deposit<br>(Include Pledge towards Margin Money Deposit of Rs Nil (P Y Rs 1.03 Lacs) with maturity of less than 12 months) | 177.78                             | 210.08                             |
| <b>TOTAL</b>   | <b>341.28</b>                      | <b>523.19</b>                      |
| <b>NOTE "18"</b>   |                                    |                                    |
| <b>Short-term loans and advances</b>   |                                    |                                    |
| Advance recoverable in cash or in kind or for value to be received   | 1,721.95                           | 2,092.56                           |
| Staff Loans  | 217.85                             | 71.67                              |
| Prepaid Expenses   | 159.13                             | 116.82                             |
| Balances with Customs, Central Excise, etc,  | 5,977.43                           | 6,548.01                           |
| <b>TOTAL</b>   | <b>8,076.36</b>                    | <b>8,829.06</b>                    |
| <b>NOTE "19"</b>   |                                    |                                    |
| <b>Other current assets</b>  |                                    |                                    |
| Other Current Assets   | -                                  | 1.76                               |
| Other Contactual Receivables   | -                                  | 133.06                             |
| <b>TOTAL</b>   | <b>-</b>                           | <b>134.82</b>                      |



## NOTES

### FORMING PART OF THE BALANCE SHEET

|  | AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|--|------------------------------------|------------------------------------|
| <b>NOTE "20"</b>   |                                    |                                    |
| <b>Revenue from Operations Sale of products</b>                                      |                                    |                                    |
| – Direct sales of manufactured products  | 87,799.06                          | 74,520.51                          |
| – Consignment sales of manufactured products   | 34,452.78                          | 25,834.76                          |
| – Export sales of manufactured products  | 22,458.80                          | 41,949.66                          |
| – Sales of traded goods  | 198.74                             | -                                  |
| Sale of Scrap and other materials  | 408.50                             | 538.67                             |
| <b>Other Operating Income</b>  |                                    |                                    |
| Sale of DEP B Licence  | 619.96                             | 887.06                             |
| <b>TOTAL</b>   | <b>1,45,937.84</b>                 | <b>1,43,730.66</b>                 |
| Less : Excise duty   | 13,382.63                          | 10,950.70                          |
| <b>TOTAL</b>   | <b>1,32,555.21</b>                 | <b>1,32,779.96</b>                 |
| <b>NOTE "21"</b>   |                                    |                                    |
| <b>Other Income</b>  |                                    |                                    |
| Interest Income  | 49.07                              | 59.46                              |
| TDS Rs. 2.99 lacs (PY Rs. 3.88 lacs)   |                                    |                                    |
| Dividend Income on long-term investments   | 4.11                               | 3.79                               |
| Dividend Income on current investments   | 2.13                               | 44.74                              |
| Profit on Sale of Fixed Assets   | 2.68                               | 0.24                               |
| Unclaimed balance written back   | 8.51                               | 1.79                               |
| Insurance claims received  | 8.95                               | 93.52                              |
| Other Non-operating Income   | 55.97                              | 85.29                              |
| <b>TOTAL</b>   | <b>131.42</b>                      | <b>288.83</b>                      |
| <b>NOTE "22"</b>   |                                    |                                    |
| <b>Cost of Material consumed</b>   |                                    |                                    |
| Opening stock in hand and in process   | 9,753.72                           | 4,777.04                           |
| Add: Purchase of Raw materials   | 69,231.64                          | 65,657.57                          |
| Less: Closing stock in hand and in process   | 9,370.35                           | 9,753.72                           |
| <b>TOTAL</b>   | <b>69,615.01</b>                   | <b>60,680.89</b>                   |
| <b>NOTE "23"</b>   |                                    |                                    |
| <b>Purchase of stock-in-trade</b>  |                                    |                                    |
| Purchase of Stock in Trade   | 218.77                             | 23.44                              |
| <b>TOTAL</b>   | <b>218.77</b>                      | <b>23.44</b>                       |
| <b>NOTE "24"</b>   |                                    |                                    |
| <b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b> |                                    |                                    |
| Closing stock:   |                                    |                                    |
| Finished Goods   | (7,598.03)                         | (5,784.60)                         |
| Work-in-process  | (44.78)                            | (33.18)                            |
| Packing Drums and Scrap  | (2.66)                             | (2.66)                             |
| Coke dust,Gypsum   | (35.52)                            | (35.52)                            |
| Traded Shares  | (8.58)                             | (8.58)                             |
|  | <b>(7,689.57)</b>                  | <b>(5,864.54)</b>                  |





**NOTES**  
FORMING PART OF THE BALANCE SHEET

|  | AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|--|------------------------------------|------------------------------------|
| Less : Drawn from Revaluation Reserve  |                                    |                                    |
| Opening Stock:   |                                    |                                    |
| Finished Goods   | 5,784.60                           | 2,201.62                           |
| Work-in-process  | 33.18                              | 75.80                              |
| Packing Drums and Scrap  | 2.66                               | 20.74                              |
| Coke dust, Gypsum  | 35.52                              | 52.24                              |
| Traded Shares  | 8.58                               | 8.58                               |
|  | <b>5,864.54</b>                    | <b>2,358.98</b>                    |
| <b>TOTAL</b>   | <b>( 1825.03)</b>                  | <b>(3,505.56)</b>                  |
| <b>NOTE "25"</b>   |                                    |                                    |
| <b>Excise duty on inventory differential</b>   |                                    |                                    |
| Excise Duty in Closing Stock   | (619.12)                           | (413.01)                           |
| Excise Duty in Opening Stock   | 413.01                             | 254.54                             |
| <b>TOTAL</b>   | <b>(206.11)</b>                    | <b>(158.47)</b>                    |
| <b>NOTE "26"</b>   |                                    |                                    |
| <b>Employee benefits expense</b>   |                                    |                                    |
| Salaries and wages   | 6,520.48                           | 6,063.82                           |
| Contributions to provident and other funds   | 667.36                             | 729.03                             |
| Staff Welfare Expenses   | 633.06                             | 624.04                             |
| Directors Remuneration (Net of Capitalisation<br>of Rs.70.01 lacs (PY. Rs. 48.12 lacs) | 445.32                             | 1,491.59                           |
| <b>TOTAL</b>   | <b>8,266.22</b>                    | <b>8,908.48</b>                    |
| <b>NOTE "27"</b>   |                                    |                                    |
| <b>Finance costs</b>   |                                    |                                    |
| Interest expense   | 2,243.68                           | 2,726.58                           |
| Other borrowing costs  | 34.48                              | 26.88                              |
| Bank Charges   | 424.80                             | 459.30                             |
| <b>TOTAL</b>   | <b>2,702.96</b>                    | <b>3,212.76</b>                    |
| <b>NOTE "28"</b>   |                                    |                                    |
| <b>Depreciation</b>  |                                    |                                    |
| Depreciation provided on fixed assets  | 5,141.81                           | 5,316.76                           |
| Less: Drawn from Revaluation Reserve   | (39.89)                            | (25.88)                            |
| <b>TOTAL</b>   | <b>5,101.92</b>                    | <b>5,290.88</b>                    |
| <b>NOTE "29"</b>   |                                    |                                    |
| <b>Other expenses</b>  |                                    |                                    |
| Packing charges  | 1,596.99                           | 1,470.20                           |
| Power and fuel   | 23,975.21                          | 23,755.54                          |
| Operating and maintenance expenses   | 1,800.14                           | 3,722.90                           |
| Rent   | 101.02                             | 64.95                              |



**NOTES**  
FORMING PART OF THE BALANCE SHEET

|  | AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|--|---------------------------------|------------------------------------|
| Repairs to building  | 1,025.25                        | 806.98                             |
| Repairs to machinery   | 4,697.78                        | 4,460.51                           |
| Repairs to other assets  | 519.37                          | 231.22                             |
| Insurance  | 293.20                          | 287.53                             |
| Rates and Taxes  | 89.64                           | 148.01                             |
| Licence fees paid  | 52.57                           | 54.72                              |
| <b>TOTAL A</b>   | <b>34,151.17</b>                | <b>35,002.56</b>                   |
| Payments to auditors   |                                 |                                    |
| – as auditors  | 10.00                           | 10.00                              |
| – for taxation matters (Includes Tax Audit Fees<br>Rs.2.50 lacs (Previous Year Rs. 2.50 lacs))           | 6.31                            | 6.10                               |
| – for other services   | 4.54                            | 4.42                               |
| – for reimbursement of expenses  | 3.86                            | 2.20                               |
| <b>TOTAL B</b>   | <b>24.71</b>                    | <b>22.72</b>                       |
| Travelling expenses  | 232.84                          | 365.72                             |
| Conveyance expenses  | 204.74                          | 180.73                             |
| Advertisement expenses   | 19.18                           | 21.34                              |
| Professional fees  | 385.48                          | 538.95                             |
| Directors Sitting Fees   | 3.95                            | 3.60                               |
| Assets Sold or Written off   | 68.56                           | 18.59                              |
| Wealth tax paid  | 6.52                            | 6.03                               |
| Donation   | 8.69                            | 8.21                               |
| Freight, Transportation, Loading and other Charges (net)   | 3,532.23                        | 2,253.38                           |
| Commission to wholesalers / others   | 648.20                          | 607.30                             |
| Cash discount  | 197.69                          | 92.65                              |
| Vehicle expenses   | 112.78                          | 104.75                             |
| Exchange Difference (Net)  | 3,141.35                        | 1,688.14                           |
| Miscellaneous Expenses   | 855.43                          | 1,070.48                           |
| <b>TOTAL C</b>   | <b>9,417.64</b>                 | <b>6,959.87</b>                    |
| <b>TOTAL A+B+C</b>   | <b>43,593.52</b>                | <b>41,985.15</b>                   |
| <b>NOTE “30”</b>   |                                 |                                    |
| <b>CONTINGENT LIABILITIES NOT PROVIDED FOR :</b>   |                                 |                                    |
| Disputed Sales Tax Demands   | 4,100.39                        | 2,192.02                           |
| Disputed Excise/Service Tax Demands  | 488.15                          | 344.51                             |
| Disputed Customs Duty  | 321.18                          | 159.61                             |
| Company’s contribution to ESI not made pursuant to petitions for<br>exemption pending before High Court. | 710.97                          | 86.08                              |
| Lease Rent, Local Cess, Octroi, Interest on Octroi,<br>Surcharge, Stamp Duty, Water and Electricity duty | 4,797.97                        | 2,911.25                           |
| Disputed Industrial relations matters  | –                               | 518.74                             |
| Claims not acknowledged as debts :   | –                               | –                                  |
| <b>TOTAL</b>   | <b>10,418.66</b>                | <b>6,212.21</b>                    |
| <b>GUARANTEE AS A MEMBER OF THE ALKALI MFG.<br/>ASSN. ( A Company Limited by Guarantee)</b>              | <b>Rs. 500</b>                  | <b>Rs. 500</b>                     |



## NOTES FORMING PART OF THE BALANCE SHEET

### NOTE NO. 31:

#### Commitments

- a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for is Rs. 15,213 lacs (previous year Rs. 28,594 lacs).
- b) In respect of land on lease, the future obligations towards lease rentals under the lease agreements as on 31st March, 2014 amount to Rs. 60.44 lacs (previous year Rs. 58.64 lacs).
- c) The company does not have any other commitments.

### NOTE NO. 32:

- a) Consignment sales and expenses are incorporated on the basis of sale notes when received from consignees.
- b) Assets and liabilities are classified as current and non-current based on the terms of the contract where available and based on the judgment of the management in other cases.
- c) Confirmation of balances from some of the Debtors and Creditors, have not been received.
- d) In the opinion of the management, current assets, long term loans and advances and other non-current assets have a realizable value in ordinary course of business at least equal to the amounts at which they are stated in the balance sheet.

### NOTE NO. 33:

#### RELATED PARTY INFORMATION.

#### (i) Relationships:

##### (a) The related parties where control exists

| Name of the related parties             | Nature of relationship   |
|---|--|
| DCW Pigments Ltd                        | Subsidiary   |
| Double Dot Finance Ltd.                 | Entities in which key management personnel & / or their relatives have significant influence |
| Crescent Finstock Ltd.                  |  |
| Sahu Brothers Pvt. Ltd.                 |  |
| Jain Sahu Brothers Properties Pvt. Ltd. |  |
| Dhrangadhra Trading Company Pvt. Ltd.   |  |
| Kishco Ltd.                             |  |
| Crescent Holdings Pvt. Ltd.             |  |

##### (b) Key Management Personnel

|                        |                              |
|------------------------|------------------------------|
| Shri Pramod Kumar Jain | Chairman & Managing Director |
| Shri Bakul Jain        | Managing Director            |
| Shri Vivek Jain        | Managing Director            |
| Shri Mudit Jain        | Managing Director            |
| Shri Ashish Jain       | Sr. President                |
| Smt. Paulomi Jain      | President                    |
| Smt. Malti Jain        | President                    |
| Shri Saatvik Jain      | President                    |

#### Note:

Related party relationships on the basis of the requirements of Accounting Standard (AS) – 18 disclosed above is as identified by the company and relied upon by the auditors



## NOTES

### FORMING PART OF THE BALANCE SHEET

#### ii) DISCLOSURE OF TRANSACTIONS BETWEEN THE GROUP AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS ON 31<sup>ST</sup> MARCH, 2014.

(Rs. In lacs)

| Particulars                                       | Enterprises where control exists | Key Management Personnel |
|---|----------------------------------|--------------------------|
| Money Received against Share Capital              | -<br>( 102.00 )                  | -<br>(450.00)            |
| Remuneration paid                                 | -<br>-                           | 695.86<br>(1,732.63)     |
| Purchases   | 2.68<br>( 2.05 )                 | -<br>( - )               |
| Unsecured loan taken and repaid                   | 200.00<br>(-)                    | 720.00<br>(-)            |
| Interest paid                                     | 11.11<br>(-)                     | -<br>(-)                 |
| Balances as on 31 <sup>st</sup> March, 2014 (Net) | 0.90<br>(0.90)                   | -<br>(-)                 |

#### NOTE NO. 34:

Sales Tax Assessments of Dhrangadhra Unit are pending for 1994-95, 1995-96, 1997-98, 2004-05, 2005-06 and 2010-11 to 2012-13 (except for 1996-97, 1998-99 to 2003-04 and 2006-07 to 2009-10 which have been completed). In respect of Sahupuram Unit Central Sales Tax Assessments and Tamil Nadu General Sales tax assessment are completed up to 2009-10.

#### NOTE NO. 35:

##### Financial Derivative Instruments

- a. Derivative contracts entered into by the Company and outstanding as on 31<sup>st</sup> March, 2014. For Hedging currency and interest related risk

Nominal amount of derivative contracts entered by the company and outstanding as on 31<sup>st</sup> March, 2014 amount to US\$ 7.61 mn. (Previous year US\$ 10.98 mn.) Category wise break up is given below:

| Sr. No. | Particulars         | 31 <sup>st</sup> March, 2014<br>US\$ Mn | 31 <sup>st</sup> March, 2013<br>US\$ Mn |
|---------|---------------------|---|---|
| 1       | Interest Rate Swaps | 0.47                                    | 0.98                                    |
| 2       | Currency Swaps      | 7.14                                    | 10.00                                   |

- b. Foreign Currency payables that are not hedged by derivative instruments as on 31<sup>st</sup> March, 2014, amount to US\$ 41.63 mn. (Previous year US\$ 36.88 mn.)

#### NOTE NO. 36:

In the matter of custom duty on imported calciner, the Hon'ble Gujarat High Court, has vide order dated 15th December, 2005, partly allowed company's civil application for refund of Rs. 41.48 lacs, to the extent of Rs. 17.50 lacs, that has since been received and denied claim for refund of balance Rs. 23.98 lacs on account of unjust enrichment. The Company has filed special leave petition before Hon'ble Supreme Court in this regard. The case is pending for hearing.

#### NOTE NO. 37:

Capital expenditure on Calcium Chloride plant at Soda Ash division are being held under capital work in progress, since management intends to use the same in the Soda Ash unit in due course as indicated in Para 6 of the Directors Report.



## NOTES FORMING PART OF THE BALANCE SHEET

### NOTE NO. 38

- a. The Tamil Nadu Government vide Government order dated 23-09-1996 issued under Tamil Nadu Electricity (Taxation & Consumption) Act, 1961, exempted specified industries (including the industry in which the company operates) permanently from payment of electricity tax on consumption of power generated captive. The Supreme Court vide order dated 15<sup>th</sup> May, 2007 held that the withdrawal of the permanent exemption by the Act of 2003 was invalid. In November, 2007 the Tamil Nadu government passed the Tamil Nadu tax on consumption or Sale of Electricity (Amendment) Act, amending the Act of 2003 to invalidate the permanent exemption granted with retrospective effect.
- b. The writ petitions filed by the company against this amendment having been dismissed by the Madras High Court, the company has filed an SLP before the Supreme Court challenging the High Court order. The company has been legally advised and is hopeful of favourable outcome before the Supreme Court on the invalidity of and the retrospectively of the Amending Act of 2003. Accordingly no provision is considered necessary by the management for electricity tax relating to the period up to June 2012 aggregating Rs. 1165.08 crs. For subsequent periods provision for the liability has been made in the accounts.
- c. In the matter of leasehold land in respect of the salt works at Kuda, Dhrangadhra, the Honourable Supreme Court has admitted the SLP filed by the Company against the Order of the Gujarat High Court upholding that the lease of the aforesaid land is not permanent and hence is terminable. The Company is confident of succeeding in the Supreme Court.

### NOTE NO. 39:

The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:

(Rs. In Lacs)

| Particulars  | As at 31 <sup>st</sup><br>March 2014 | As at 31 <sup>st</sup><br>March 2013 |
|--|--------------------------------------|--------------------------------------|
| Principal amount due and remaining unpaid                                | 29.69                                | 39.47                                |
| Interest due on above and the unpaid interest                            | -                                    | -                                    |
| Interest paid  | -                                    | -                                    |
| Payment made beyond the appointed day during the year                    | -                                    | -                                    |
| Interest due and payable for the period of delay                         | -                                    | -                                    |
| Interest accrued and remaining unpaid                                    | -                                    | -                                    |
| Amount of further interest remaining due and payable in succeeding years | -                                    | -                                    |

### NOTE NO. 40:

Disclosure pursuant to Accounting Standard – 15 (Revised) “Employee Benefits”

- a. Effective 1<sup>st</sup> April’07, the company has adopted Accounting Standard 15 (revised 2005) “Employee Benefits” issued by ICAI. The Company has classified the various benefits provided to employees as under:
- b. Defined Contribution Plans:

The Company has recognized the following amounts in the Profit & Loss Account which are included under contribution to Provident Fund and Other Funds:

| Particulars                     | Rs. In Lacs |
|---------------------------------|-------------|
| Provident Fund                  | 385.91      |
| Superannuation Fund             | 117.50      |
| Employees’ Pension Scheme, 1995 | 124.56      |

The Rules of the Company’s Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared on Employees Provident Fund by the Government under the Employees Provident Fund Scheme, for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company



**NOTES**  
FORMING PART OF THE BALANCE SHEET

c. **Defined Benefit Plans**

|          |  | <b>Gratuity<br/>Funded<br/>Rs. lacs</b> | <b>Leave Wages<br/>Non-Funded<br/>Rs. Lacs</b> |
|----------|--|---|--|
| <b>1</b> | <b>Change in Benefit Obligation</b>  |   |  |
|          | Liability at the beginning of the year 1st April' 2013   | 2,377.22<br>(2,016.54)                  | 807.91<br>(649.12)                             |
|          | Interest cost  | 190.18<br>(171.41)                      | 64.63<br>(55.17)                               |
|          | Current Service Cost   | 100.85<br>(91.99)                       | 83.18<br>(71.05)                               |
|          | Benefit Paid   | (-) 11.89<br>(-)(15.23)                 | (-) 48.24<br>(-)(41.81)                        |
|          | Actuarial (gain) / Loss on obligation  | (-)180.89<br>(112.50)                   | 58.97<br>(74.38)                               |
|          | Liability at the end of the year   | 2,475.47<br>(2,377.22)                  | 966.45<br>(807.91)                             |
| <b>2</b> | <b>Changes in the Fair Value of Plan Assets</b>  |   |  |
|          | Present Value of Plan Assets as at 1 <sup>st</sup> April, 2013   | 2,325.12<br>(2,139.71)                  | -<br>(-)                                       |
|          | Expected Return on Plan Assets   | 202.29<br>(184.01)                      | -<br>(-)                                       |
|          | Actuarial (Gain)/Loss  | (-)43.43<br>( 16.62)                    | -<br>(-)                                       |
|          | Employers' Contributions   | -<br>(-)                                | -<br>(-)                                       |
|          | Benefits Paid  | (-) 11.88<br>(-)( 15.23)                | -<br>(-)                                       |
|          | Present Value of Planned Assets as at 31 <sup>st</sup> March, 2014   | 2,472.10<br>(2,325.12)                  | -<br>(-)                                       |
| <b>3</b> | <b>Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets</b> |   |  |
|          | Present Value of Defined Benefit Obligation as at 31 <sup>st</sup> March, 2014.  | (-) 2,475.47<br>(-)(2,377.22)           | (-) 966.45<br>(-)( 807.91)                     |
|          | Fair Value of Plan Assets as at 31 <sup>st</sup> March, 2014   | 2,472.10<br>(2,325.12)                  | -<br>(-)                                       |
|          | Net Liability recognized in the Balance Sheet as at 31 <sup>st</sup> March, 2014   | (-)3.37<br>( 52.10 )                    | (-) 966.45<br>(-)( 807.91)                     |
| <b>4</b> | <b>Expenses Recognized in the Profit and Loss Account</b>  |   |  |
| a)       | Service Cost   | 100.85<br>(91.99)                       | 83.18<br>(71.05)                               |



**NOTES**  
FORMING PART OF THE BALANCE SHEET

|    |   | Gratuity<br>Funded<br>Rs. lacs                       | Leave Wages<br>Non-Funded<br>Rs. Lacs |
|----|---|--|---------------------------------------|
| b) | Interest Cost   | 190.18<br>(181.88)                                   | 64.63<br>(55.17)                      |
| c) | Expected Return on Plan Assets  | (-) 202.29<br>(-)(184.02)                            | -<br>(-)                              |
| d) | Curtailment Cost/(Credit)   | -<br>(-)   | -<br>(-)                              |
| e) | Settlement Cost/(Credit)  | -<br>(-)   | -<br>(-)                              |
| f) | Net Actuarial (Gain)/Loss   | (-) 137.47<br>(-)(37.75)                             | 58.97<br>(74.38)                      |
|    | <b>Total Expenses recognized in the Profit and Loss A/c</b>   | -<br>(52.10)   | 206.79<br>(200.61)                    |
| 5  | <b>Actual Return on Plan Assets</b>   |  |                                       |
|    | <b>Estimated Contribution to be made in the next annual year</b>  |  |                                       |
|    | <b>The Composition of Plan Assets : i.e. Percentage of each Category of Plan Assets to Total Fair Value of Plan Assets as at 31<sup>st</sup> March,2014</b> |  |                                       |
| a) | Govt of India Securities  | -<br>(-)   | -<br>(-)                              |
| b) | Corporate Bonds   | -<br>(-)   | -<br>(-)                              |
| c) | Special Deposit Scheme  | -<br>(-)   | -<br>(-)                              |
| d) | Equity Shares of Listed Companies   | -<br>(-)   | -<br>(-)                              |
| e) | Property  | -<br>(-)   | -<br>(-)                              |
| f) | Insurance Managed Funds   | 2,472.10<br>(2,325.12)                               | -<br>(-)                              |
| g) | Others  | -<br>(-)   | -<br>(-)                              |
|    | <b>Total</b>  | 2,472.10<br>(2,325.12)                               | -<br>(-)                              |
| 6  | <b>Actuarial Assumptions</b>  |  |                                       |
|    | Retirement age  | 58<br>(58)   | 58<br>(58)                            |
|    | Discount rate   | 9.02%<br>(8%)  | 9.02%<br>(8%)                         |
|    | Mortality   | Indian Assured Lives Mortality<br>(2006-08) Ultimate |                                       |
|    | Withdrawal rate   | 2%<br>(2%)   |                                       |
|    | Salary escalation   | 4%<br>(4%)   |                                       |



## NOTES

### FORMING PART OF THE BALANCE SHEET

**NOTE NO. 41 :**

a) Information with regard to each class of goods manufactured/traded

| PARTICULARS                        | Opening Stock       | Closing Stock       | Sales               |
|------------------------------------|---------------------|---------------------|---------------------|
|                                    | Value - Rs. In lacs | Value - Rs. In lacs | Value - Rs. In lacs |
|                                    | As on 01.04.2013    | As on 31.03.2014    | 2013-14             |
| <b>DHARANGADHRA UNIT</b>           |                     |                     |                     |
| Soda Ash                           | 258                 | 158                 | 15,701              |
|                                    | (39)                | (258)               | (14,029)            |
| Soda Bicarbonate                   | 127                 | 131                 | 4,078               |
|                                    | (118)               | (127)               | (3,795)             |
| Ammonium Bicarbonate               | 3                   | 2                   | 52                  |
|                                    | (2)                 | (3)                 | (66)                |
| Detergent – Green                  | 12                  | -                   | 14                  |
|                                    | (11)                | (12)                | (572)               |
| Detergent – Active                 | 9                   | -                   | 11                  |
|                                    | (45)                | (9)                 | (2,187)             |
| Salt Finished Goods                | 22                  | 19                  | -                   |
|                                    | (22)                | (22)                | -                   |
| <b>SAHUPURAM UNIT</b>              |                     |                     |                     |
| Caustic Soda Lye                   | 1,069               | 756                 | 21,113              |
|                                    | (831)               | (1,069)             | (17,010)            |
| Caustic Soda Solid                 | 8                   | 13                  | 39                  |
|                                    | (8)                 | (8)                 | (49)                |
| Caustic Soda Flakes                | 16                  | 138                 | 3,204               |
|                                    | (43)                | (16)                | (4,841)             |
| Sodium Hypo chlorine               | -                   | -                   | 116                 |
|                                    | -                   | -                   | (112)               |
| Hydrochloric Acid 100%             | 4                   | 2                   | 243                 |
|                                    | (3)                 | (4)                 | (190)               |
| Liquid Chlorine                    | 2                   | 2                   | 323                 |
|                                    | (2)                 | (2)                 | (203)               |
| Trichloroethylene                  | 249                 | 99                  | 1,964               |
|                                    | (330)               | (249)               | (2,842)             |
| Upgraded Ilmenite                  | 2,933               | 4,465               | 21,991              |
|                                    | (440)               | (2,933)             | (40,848)            |
| Utox                               | 108                 | 100                 | 1,138               |
|                                    | (39)                | (108)               | (1,501)             |
| Ferrie Chloride                    | 4                   | 14                  | 388                 |
|                                    | (4)                 | (8)                 | (355)               |
| Yellow Iron oxide                  | 12                  | 7                   | 123                 |
|                                    | (3)                 | (12)                | (147)               |
| PVC Resin                          | 1,371               | 1,891               | 67,762              |
|                                    | (516)               | (1,371)             | (48,582)            |
| Barium Carbonate<br>(Traded Goods) | -                   | -                   | -                   |
| Swap Coal<br>(Traded Goods)        | -                   | -                   | 192                 |
| Spares<br>(Traded Goods)           | -                   | -                   | 7                   |
| Sale of Power – Windmill           | -                   | -                   | 1,600               |
|                                    |                     |                     | (1,756)             |
| <b>TOTAL</b>                       | <b>6,203</b>        | <b>7,798</b>        | <b>1,40,060</b>     |
| <b>Previous Year</b>               | <b>(2,456)</b>      | <b>(6,203)</b>      | <b>(1,39,134)</b>   |





**NOTES**  
FORMING PART OF THE BALANCE SHEET

|  |             |
|--|-------------|
| <b>b) Expenditure in Foreign Currency</b>  |             |
| i) Know-how fees   | 2,299.30    |
|  | (2,246.75)  |
| ii) Consultant fees  | 7.60        |
|  | (212.39)    |
| iii) Others  | 1,704.82    |
|  | (996.57)    |
| <b>c) Earnings in Foreign Exchange</b>   |             |
| i) Export on f.o.b. basis  | 22,335.57   |
|  | (41,761.48) |
| ii) Others   | 4.64        |
|  | (11.99)     |
| <b>d) Consumption of imported/indigenous Raw Materials,</b>                                |             |
| <b>Stores and Spares at Landed Cost</b>  |             |
| Raw Material - Imported  | 59,870.68   |
|  | (63,992.02) |
| - Indigenous   | 11,621.16   |
|  | (12,963.48) |
| <b>Stores and Spare parts (Including Consumption for Capital jobs &amp; fuel Oil/Coal)</b> |             |
| Imported   | 17,459.33   |
|  | (16,098.78) |
| Indigenous   | 9,309.17    |
|  | (8,120.88)  |
| <b>e) Value of Imports on c.i.f. basis</b>   |             |
| i) Raw Materials   | 68,354.53   |
|  | (62,829.42) |
| ii) Fuel Oil/ Coal   | 11,236.50   |
|  | (15,066.88) |
| ii) Stores and Spare parts   | 86.81       |
|  | (819.52)    |
| iii) Capital Goods   | 164.79      |
|  | (3,925.17)  |



**NOTES**  
FORMING PART OF THE BALANCE SHEET

|   | Value<br>Rs. In lacs             |
|---|----------------------------------|
| <b>f) Raw Materials consumed :</b>                            |                                  |
| Salt  | 2,692<br>(1,539)                 |
| Ilmenite Sand   | 10,818<br>(13,615)               |
| Calcium Carbide   | 1,027<br>(1,517)                 |
| Vinyl Chloride Monomer  | 49,114<br>(37,210)               |
| Lauryl Peroxide   | 130<br>(75)                      |
| Limestone   | 1,992<br>(1,887)                 |
| Coke  | 2,383<br>(3,028)                 |
| Coal  | 16,728<br>(15,081)               |
| Ammonia   | 191<br>(267)                     |
| Charcoal  | —<br>(—)                         |
| Others  | 2,243<br>(3,698)                 |
| Consumption of own manufactured products<br>and Intermediates | 902<br>(957)                     |
| <b>TOTAL</b>  | <b>88,220</b><br><b>(76,956)</b> |

**Note No: 42** Earning per share (EPS) as per Accounting Standard – 20

|  | 2013–14      | 2012–13      |
|--|--------------|--------------|
|  | Rs. Lacs     | Rs. Lacs     |
| Profit after Tax   | 3,787.94     | 10,488.85    |
| No. of Equity shares of Rs. 2 each outstanding as on 31.3.2014       | 20,97,90,953 | 20,97,90,953 |
| Weighted Average Number of Equity Shares Outstanding during the year |              |              |
| For Basic  | 20,97,90,953 | 20,77,43,418 |
| For Diluted  | 20,97,90,953 | 20,77,43,418 |
| EPS (Rs.)  |              |              |
| Basic  | 1.81         | 5.05         |
| Diluted  | 1.81         | 5.05         |



**NOTES**  
FORMING PART OF THE BALANCE SHEET

**NOTE NO. 43 :**

**Segment Information for the year 2013–2014:**

|   | CAUSTIC           | PVC              | SODA ASH         | OTHERS           | TOTAL              |
|---|-------------------|------------------|------------------|------------------|--------------------|
| <b>Segment Revenue</b>                        |                   |                  |                  |                  |                    |
| <b>External Revenue</b>                       | <b>53,304.72</b>  | <b>59,983.35</b> | <b>17,766.40</b> | <b>1,625.91</b>  | <b>1,32,680.38</b> |
|   | (69,779.79)       | (43,129.08)      | (18,355.33)      | (1,756.06)       | (1,33,020.26)      |
| <b>Segment Result</b>                         | <b>4,181.20</b>   | <b>(287.53)</b>  | <b>3,147.12</b>  | <b>875.29</b>    | <b>7,916.08</b>    |
|   | (19,076.08)       | (-1971.01)       | (1,029.51)       | (1,070.69)       | (19,205.27)        |
| <b>Add : Unallocated Corporate Income</b>     | -                 | -                | -                | -                | <b>6.25</b>        |
|   | -                 | -                | -                | -                | (48.53)            |
| <b>Less:</b>                                  |                   |                  |                  |                  |                    |
| <b>Finance charges</b>                        | -                 | -                | -                | -                | <b>2,702.96</b>    |
|   | -                 | -                | -                | -                | (3,212.76)         |
| <b>Current Tax</b>                            | -                 | -                | -                | -                | <b>936.59</b>      |
|   | -                 | -                | -                | -                | (3,638.69)         |
| <b>Deferred Tax</b>                           | -                 | -                | -                | -                | <b>494.84</b>      |
|   | -                 | -                | -                | -                | (1,913.50)         |
| <b>Net Profit</b>                             | -                 | -                | -                | -                | <b>3,787.94</b>    |
|   | -                 | -                | -                | -                | (10,488.85)        |
| <b>Segment Assets</b>                         | <b>112,720.49</b> | <b>31,180.06</b> | <b>21,968.11</b> | <b>12,376.96</b> | <b>1,78,245.62</b> |
|   | (96,669.32)       | (23,581.18)      | (20,676.22)      | (13,305.33)      | (1,54,232.05)      |
| <b>Add :Unallocated Corporate Assets</b>      | -                 | -                | -                | -                | <b>763.77</b>      |
|   | -                 | -                | -                | -                | (571.73)           |
| <b>Total</b>                                  | <b>112,720.49</b> | <b>31,180.06</b> | <b>21,968.11</b> | <b>12,376.96</b> | <b>1,79,009.39</b> |
|   | (96,669.32)       | (23,581.18)      | (20,676.22)      | (13,305.33)      | (1,54,803.78)      |
| <b>Segment Liabilities</b>                    | <b>56,328.91</b>  | <b>44,005.89</b> | <b>1,786.39</b>  | <b>8,511.84</b>  | <b>1,10,633.03</b> |
|   | (46,477.54)       | (24,128.25)      | (3,098.89)       | (15,300.34)      | (89,005.02)        |
| <b>Add :Unallocated Corporate liabilities</b> | -                 | -                | -                | -                | <b>12,728.72</b>   |
|   | -                 | -                | -                | -                | (13,015.56)        |
| <b>Total</b>                                  | <b>56,328.91</b>  | <b>44,005.89</b> | <b>1,786.39</b>  | <b>8,511.84</b>  | <b>1,23,361.75</b> |
|   | (46,477.54)       | (24,128.25)      | (3,098.89)       | (15,300.34)      | (1,02,020.58)      |
| <b>Capital Expenditure</b>                    | -                 | -                | -                | -                | <b>32,655.30</b>   |
|   | -                 | -                | -                | -                | (26,879.28)        |
| <b>Depreciation</b>                           | <b>3,490.88</b>   | <b>334.59</b>    | <b>638.17</b>    | <b>638.30</b>    | <b>5,101.94</b>    |
|   | (3,786.05)        | (361.11)         | (505.87)         | (637.85)         | (5,290.88)         |

**NOTE NO. 44:**

Previous year figure are regrouped to match current year grouping



**STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO  
SECTION 212 OF THE COMPANIES ACT, 1956**

|   |                      |
|---|----------------------|
| 1. Name of Subsidiary   | DCW Pigments Limited |
| 2. Financial year ended   | 31st March 2014      |
| 3. Holding Company's Interest:<br>Equity Capital:<br>Number of Shares of Rs. 10/- each<br>Extent of Holding   | 50,000<br>100%       |
| 4. The net aggregate of Profit/(Loss) of the Subsidiary Company in so far as it concerns the members of the Holding Company :<br><br>(a) Not dealt with in the accounts of the Company for the year ended 31st March, 2014:<br><br>(1) For the Subsidiary's financial year ended as in two above<br><br>(2) For the previous financial years of the Subsidiary<br><br>(1) For the Subsidiary's financial year ended as in 2 above<br><br>(2) For the previous financial years of the Subsidiary |                      |
|   |                      |

As per our Report attached

For V. Sankar Aiyar & Co.

Chartered Accountants

FRN No. 109208W

S. Venkatraman

Partner

Membership No. 34319

Place : Mumbai

Dated : 19<sup>th</sup> May, 2014

Jigna Karnick

Dy. Company Secretary

For and on behalf of the Board

Pramod Kumar Jain

Chairman & Managing Director

Bakul Jain

Vivek Jain

Mudit Jain

Managing Directors

Vimal Jain

Chief Financial Officer

# DCW Pigments Ltd.

## DIRECTORS' REPORT

To the Shareholders

Your Directors present the 7<sup>th</sup> Annual Report of your Company together with the Audited Accounts for the year ended 31.03.2014.

### Operations

The Company has not yet commenced its operations.

### Directors

Shri Mudit Jain, Director retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for reappointment.

Conservation of energy, Technology Absorption and Foreign Exchange earning and outgo

As the Company has not commenced any operations, there is nothing to Report on Conservation of Energy and Technology Absorption. During the year there is no Foreign Exchange Earnings and Outgo.

### Particulars of Employees

During the year, no employee received remuneration in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956 and the Rules made thereunder.

### Directors' Responsibility Statement

In terms of Section 217 (2AA) of the Companies Act, 1956, your Directors

have :

1. followed in the preparation of the annual accounts, the applicable accounting standards have followed with proper explanation relating to material departures;
2. selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for that period.
3. taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability.
4. prepared the annual accounts on a going concern basis.

### Auditors :

M/s. RAV &Co., Chartered Accountants Statutory Auditors of the Company have retires at the forthcoming Annual

General Meeting and have given a notice to the Company of their unwillingness for the reappointment.

Shri. Pravin G. Kapadia, Chartered Accountant who is eligible for appointment as Statutory Auditor has given his consent to act as Statutory Auditor of the Company, if appointed and a resolution is proposed in the forthcoming Annual General Meeting for his said appointment.

For and on behalf of the Board

**Bakul Jain**  
Chairman

Place : Mumbai  
Date : 16<sup>th</sup> May, 2014

**Registered Office :**  
358, Anna Salai, Thousand Lights,  
Chennai - 600 006  
Tamil Nadu.

## AUDITOR'S REPORT

### AUDITORS' REPORT

To,

The Members,  
DCW Pigments Ltd.  
Mumbai

- 1) We have audited the attached Balance Sheet of M/s. DCW Pigments Limited as at March 31, 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) In our opinion the Companies (Auditor's Report) Order, 2003 issued by the Central government in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 is not

applicable to the Company.

- 4) Further to our comments in the Annexure referred to in paragraph 3, above we report that :
  - (i) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far it appears from our examination of such books.
  - (iii) The Balance sheet dealt with by this Report is in agreement with the books of account.
  - (iv) In our opinion, the attached Balance Sheet dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
  - (v) On the basis of written representation, received from the Directors and taken on record by the Board of Directors, we report that none of the Directors disqualified as on 31<sup>st</sup> March, 2014 from being appointed as Director in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
  - (vi) In our opinion and to the best of our information and according to the explanations

given to us, the said accounts read with notes attached thereto and the Statement on Significant Accounting Policies and notes thereto give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014.
- (ii) The Company is yet to commence its commercial operations and hence all expenses incurred in the current year are shown under the head miscellaneous expenditure in the Balance Sheet due to which the Statement of Profit and Loss has not been prepared..

**For R A V & CO.**  
Chartered Accountants

**C.A. Ashok R. Shetty**  
Partner  
M.No. 102524  
Firm Reg. No.0075325

Place : Mumbai  
Date : 16<sup>th</sup> May, 2014

# DCW Pigments Ltd.

## Balance Sheet AS AT 31<sup>ST</sup> MARCH, 2014

( AMOUNT IN RUPEES)

| PARTICULARS   | Note    | 31/03/2014      | 31/03/2013      |
|---|---------|-----------------|-----------------|
| <b>EQUITY AND LIABILITIES</b>                         |         |                 |                 |
| <b>Shareholders Fund</b>                              |         |                 |                 |
| Share Capital   | 2       | 5,00,000        | 5,00,000        |
| Application Money Recd by Issue of Share Warrant      |         | -               | -               |
| Reserves and Surplus                                  | 3       | -               | -               |
|   |         | <b>5,00,000</b> | <b>5,00,000</b> |
| <b>Non Current Liabilities</b>                        |         |                 |                 |
| Deferred Tax Liabilities (Net)                        | 4       | -               | -               |
| Long Term Borrowings                                  | 5       | -               | -               |
| Long Term Provisions                                  | 6       | -               | -               |
| Trade Payables  | 7       | -               | -               |
|   |         | -               | -               |
| <b>Current Liabilities</b>                            |         |                 |                 |
| Short Term Borrowings                                 | 8       | -               | -               |
| Trade Payables  | 7       | -               | -               |
| Other Current Liabilities                             | 9       | 16,854          | 12,136          |
| Short Term Provisions                                 | 10      | -               | -               |
|   |         | <b>16,854</b>   | <b>12,136</b>   |
| <b>Total</b>  |         | <b>5,16,854</b> | <b>5,12,136</b> |
| <b>ASSETS</b>   |         |                 |                 |
| <b>Non Current Assets</b>                             |         |                 |                 |
| <b>Fixed Assets</b>                                   |         |                 |                 |
| Tangible Assets                                       | 11      | -               | -               |
| Intangible Assets                                     |         | -               | -               |
| Capital Work-in-Progress                              |         | -               | -               |
| Intangible assets under development                   |         | -               | -               |
|   |         | -               | -               |
| Non Current Investments                               | 12      | -               | -               |
| Deferred Tax Assets (Net)                             | 13      | -               | -               |
| Long Term Loans and Advances                          | 14      | -               | -               |
| Other Non-Current Assets                              | 15      | 129,165         | 1,10,020        |
|   |         | <b>129,165</b>  | <b>1,10,020</b> |
| <b>Current Assets</b>                                 |         |                 |                 |
| Current Investments                                   | 16      | -               | -               |
| Trade Receivables                                     | 17      | -               | -               |
| Cash and Cash Equivalents                             | 18      | 3,87,689        | 4,02,116        |
| Short Term Loans and Advances                         | 14      | -               | -               |
| Other Current Assets                                  | 19      | -               | -               |
|   |         | <b>3,87,689</b> | <b>4,02,116</b> |
| <b>Total</b>  |         | <b>5,16,854</b> | <b>5,12,136</b> |
| Significant Accounting Policies and Notes to Accounts | 1       |                 |                 |
| Other notes to the Financial Statement                | 2 to 19 |                 |                 |

As per our report of even date

For and on behalf of the Board of Directors

For R. A. V. & CO

Chartered Accountants

FRN 007532S

Ashok R. Shetty  
Partner  
Membership No. 102524  
Place : Mumbai  
Date : 16th May 2014

Bakul Jain  
Chairman

Vivek Jain  
Director

Mudit Jain  
Director

# DCW Pigments Ltd.

## NOTES FORMING INTEGRAL PARTS OF FINANCIAL STATEMENTS AS ON 31ST MARCH, 2014 (AMOUNT IN RUPEES)

Note "1"

### SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

1. The Company is yet to commence its commercial operations.
2. Previous years figures were regrouped wherever necessary.
3. Expenses incurred during the year are shown under Pre-Operative Expenses in the Balance Sheet
4. Since the Company has not commenced its commercial operation and there are no Fixed Asstes, other clauses are not applicable.

### Note No.2

#### Share Capital

| Particulars  | 31-03-2014 | 31-03-2013 |
|--|------------|------------|
| <b>Authorized Capital</b>                          |            |            |
| 1,00,000 Equity Shares of Rs 10/- each             | 10,00,000  | 10,00,000  |
|  | 10,00,000  | 10,00,000  |
| <b>Issued, Subscribed and fully paid up Shares</b> |            |            |
| 50,000 Equity Shares Of Rs.10 Each                 | 5,00,000   | 5,00,000   |
|  | 5,00,000   | 5,00,000   |
| <b>Note No. 3</b>                                  |            |            |
| RESERVE & SURPLUS                                  | -          | -          |
| <b>Note No. 4</b>                                  |            |            |
| DEFERRED TAX LIABILITY (NET)                       | -          | -          |
| <b>Note No. 5</b>                                  |            |            |
| LONG TERM BORROWING                                | -          | -          |
| <b>Note No. 6</b>                                  |            |            |
| LONG TERM PROVISION                                | -          | -          |
| <b>Note No. 7</b>                                  |            |            |
| TRADE PAYABLES                                     | -          | -          |
| <b>Note No. 8</b>                                  |            |            |
| SHORT TERM BORROWINGS                              | -          | -          |
| <b>Note No. 9</b>                                  |            |            |
| OTHER CURRENT LIABILITES                           | 16,854     | 12,136     |
| <b>Note No. 10</b>                                 |            |            |
| SHORT TERM PROVISION                               | -          | -          |





NOTES FORMING INTEGRAL PARTS OF  
FINANCIAL STATEMENTS AS ON 31ST MARCH, 2014

|   | 31-03-2014      | 31-03-2013      |
|---|-----------------|-----------------|
| <b>Note No. 11</b><br>FIXED ASSETS              | -               | -               |
| <b>Note No. 12</b><br>NON CURRENT INVESTMENT    | -               | -               |
| <b>Note No. 13</b><br>DEFERRED TAX ASSETS (NET) | -               | -               |
| <b>Note No. 14</b><br>LOANS AND ADVANCES        | -               | -               |
| <b>Note No. 15</b><br>OTHER NON-CURRENT ASSETS  |                 |                 |
| Preliminary Expenses                            | 67,567          | 67,567          |
| Pre-Operative Expenses                          |                 |                 |
| Opening Balance                                 | 42,453          | 34,135          |
| Add; For the year                               | 19,145          | 8,318           |
|   | <b>61,598</b>   | <b>42,453</b>   |
|   | <b>1,29,165</b> | <b>1,10,020</b> |
| <b>Note No. 16</b><br>CURRENT INVESTMENT        | -               | -               |
| <b>Note No. 17</b><br>TRADE RECEIVABLES         | -               | -               |
| <b>Note No. 18</b><br>CASH & CASH EQUIVALENTS   |                 |                 |
| Cash In Hand                                    | -               | -               |
| Balance with Banks:                             |                 |                 |
| Punjab National Bank                            | 3,87,689        | 4,02,116        |
| <b>Note No. 19</b><br>OTHER CURRENT ASSETS      | -               | -               |



## Consolidated Accounts

### INDEPENDENT AUDITOR'S REPORT

#### To the Board of Directors of DCW Limited

We have audited the accompanying consolidated financial statements of DCW Limited ("the Company") and its subsidiary, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

#### Other Matter

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets (net) of Rs. 5.16 lacs as at March 31, 2014, total revenues of Rs. Nil and net cash outflows amounting to Rs. 0.14 lacs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter

For V. Sankar Aiyar & Co.,  
Chartered Accountants.  
FRN. 109208W

[S. Venkatraman]  
Partner

M. No.34319

Place: Mumbai  
Date: 19th May 2014



## CONSOLIDATED BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH, 2014

|  | Note     | As at<br>31.03.2014<br>Rs. in lacs | As at<br>31.03.2013<br>Rs. in lacs |
|--|----------|------------------------------------|------------------------------------|
| <b>EQUITY AND LIABILITIES</b>              |          |                                    |                                    |
| <b>Shareholders' Funds :</b>               |          |                                    |                                    |
| Share Capital                              | 2        | 4,195.82                           | 4,195.82                           |
| Reserves and Surplus                       | 3        | 51,451.82                          | 48,587.38                          |
| <b>Non-current liabilities</b>             |          |                                    |                                    |
| Long-term borrowings                       | 4        | 58,777.84                          | 38,771.76                          |
| Deferred tax liabilities (net)             | 5        | 11,590.06                          | 11,095.22                          |
| Long-term provisions                       | 6        | 969.83                             | 860.01                             |
| <b>Current liabilities</b>                 |          |                                    |                                    |
| Short-term borrowings                      | 7        | 1,443.23                           | 7,317.20                           |
| Trade payable                              | 8        | 37,867.79                          | 21,308.03                          |
| Other current liabilities                  | 9        | 11,574.51                          | 20,748.14                          |
| Short-term provisions                      | 10       | 1,138.66                           | 1,920.34                           |
| <b>TOTAL</b>                               |          | <b>1,79,009.56</b>                 | <b>1,54,803.90</b>                 |
| <b>ASSETS</b>                              |          |                                    |                                    |
| <b>Non-current assets</b>                  |          |                                    |                                    |
| <b>Fixed Assets</b>                        |          |                                    |                                    |
| Tangible assets                            | 11       | 66,127.04                          | 66,358.02                          |
| Capital work in progress                   |          | 71,792.87                          | 44,166.99                          |
| Intangible assets under development        |          | -                                  | -                                  |
| Non-current investments                    | 12       | 27.39                              | 27.39                              |
| Long-term loans and advances               | 13       | 1,737.57                           | 1,264.57                           |
| Other non-current assets                   | 14       | 1,110.77                           | 1,110.10                           |
| <b>Current assets</b>                      |          |                                    |                                    |
| Inventories                                | 15       | 20,361.32                          | 23,106.00                          |
| Trade receivables                          | 16       | 9,431.08                           | 9,279.74                           |
| Cash and bank balances                     | 17       | 345.16                             | 527.21                             |
| Short-term loans and advances              | 18       | 8,076.36                           | 8,829.06                           |
| Other Current Assets                       | 19       | -                                  | 134.82                             |
| <b>TOTAL</b>                               |          | <b>1,79,009.56</b>                 | <b>154,803.90</b>                  |
| Summary of Significant Accounting Policies | 1        |                                    |                                    |
| Other Notes to the Financial Statements    | 30 to 44 |                                    |                                    |

As per our Report attached

For V. Sankar Aiyar & Co.

Chartered Accountants

FRN No. 109208W

S. Venkatraman

Partner

Membership No. 34319

Place : Mumbai

Dated : 19<sup>th</sup> May, 2014

Jigna Karnick

Dy. Company Secretary

For and on behalf of the Board

Pramod Kumar Jain

Chairman & Managing Director

Bakul Jain

Vivek Jain

Mudit Jain

Managing Directors

Vimal Jain

Chief Financial Officer



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

|  | Note     | For the year ended<br>31.03.2014<br>Rs. in lacs | For the year ended<br>31.03.2013<br>Rs. in lacs |
|--|----------|---|---|
| <b>Revenue from Operations</b>   | 20       | 1,45,937.84                                     | 1,43,730.66                                     |
| Less : Excise Duty   |          | 13,382.63                                       | 10,950.70                                       |
| Revenue from Operations, (net)   |          | 1,32,555.21                                     | 1,32,779.96                                     |
| Other Income   | 21       | 131.42  | 288.83  |
| <b>Total Revenue</b>   |          | <b>1,32,686.63</b>                              | <b>1,33,068.79</b>                              |
| <b>Expenses:</b>   |          |   |   |
| Cost of materials consumed   | 22       | 69,615.01                                       | 60,680.89                                       |
| Purchase of stock-in-trade   | 23       | 218.77  | 23.44   |
| Changes in inventories of finished goods,<br>work-in progress and stock-in-trade | 24       | (1,825.03)                                      | (3,505.56)                                      |
| Excise duty on inventory differential  | 25       | (206.11)  | (158.47)  |
| Employee benefits expense  | 26       | 8,266.22  | 8,908.48  |
| Finance costs  | 27       | 2,702.96  | 3,212.76  |
| Depreciation   | 28       | 5,101.92  | 5,290.88  |
| Other expenses   | 29       | 43,593.52                                       | 41,985.15                                       |
| <b>Total Expenses</b>  |          | <b>1,27,467.26</b>                              | <b>1,16,437.57</b>                              |
| Profit before exceptional and extraordinary items and tax                        |          | 5,219.37  | 16,631.22                                       |
| Exceptional Items - Loss on Sale of Asset  |          | -   | 590.20  |
| Profit before extraordinary items and tax  |          | 5,219.37  | 16,041.02                                       |
| Extraordinary Items  |          | -   | -   |
| Profit before tax  |          | 5,219.37  | 16,041.02                                       |
| <b>Tax expense:</b>  |          |   |   |
| Current Tax  |          | 1,107.81  | 3,255.00  |
| MAT Credit Utilised/ (Available for setoff)                                      |          | (84.59)   | 371.00  |
| Deferred tax   |          | 494.84  | 1,913.50  |
| Tax Adjustments in respect of earlier years                                      |          | (86.63)   | 12.67   |
| Profit/(Loss) for the period from continuing operations                          |          | 3,787.94  | 10,488.85                                       |
| Profit / (Loss) from discontinuing operations                                    |          | -   | -   |
| Tax expense of discontinuing operations  |          | -   | -   |
| Profit / (Loss) for the period   |          | 3,787.94  | 10,488.85                                       |
| <b>Earning per equity share:</b>   |          |   |   |
| Basic ( Face Value of Rs. 2/- each)  |          | 1.81  | 5.05  |
| Diluted ( Face Value of Rs. 2/- each)  |          | 1.81  | 5.05  |
| Summary of Significant Accounting Policies                                       | 1        |   |   |
| Other Notes to the Financial Statements  | 30 to 44 |   |   |

As per our Report attached

For V. Sankar Aiyar & Co.

Chartered Accountants

FRN No. 109208W

S. Venkatraman

Partner

Membership No. 34319

Place : Mumbai

Dated : 19<sup>th</sup> May, 2014

Jigna Karnick

Dy. Company Secretary

For and on behalf of the Board

Pramod Kumar Jain

Chairman & Managing Director

Bakul Jain

Vivek Jain

Mudit Jain

Managing Directors

Vimal Jain

Chief Financial Officer



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

| Particulars   | 2013-14<br>Rs in Lacs | 2012-13<br>Rs in Lacs |
|---|-----------------------|-----------------------|
| <b>A. Cash flow from operating Activities</b>             |                       |                       |
| Net profit before tax                                     | 5,219.37              | 16,041.01             |
| Adjustments for :   |                       |                       |
| Non-cash items  |                       |                       |
| Depreciation  | 5,101.92              | 5,290.88              |
| Unrealised foreign exchange loss/ (gain) (net)            | -                     | -                     |
| Finance Costs   | 2,702.96              | 3,212.76              |
| Interest income   | (49.07)               | (59.46)               |
| (Profit) / Loss on Sale of Asset                          | 65.88                 | 608.55                |
| Dividend income   | (6.24)                | (48.53)               |
| Operating profit before working capital changes           | <u>13,034.82</u>      | <u>25,045.21</u>      |
| Adjustments for :   |                       |                       |
| Trade and other receivables                               | 456.37                | (176.16)              |
| Inventories   | 2,744.68              | (7,286.87)            |
| Trade and other payables                                  | <u>8,846.12</u>       | <u>5,314.45</u>       |
| <b>Cash generation from operations</b>                    | <u>25,082.99</u>      | <u>22,896.63</u>      |
| Direct taxes paid   | (1,912.02)            | (2,258.75)            |
| <b>Net cash flow from operating Activities</b>            | <u>23,169.97</u>      | <u>20,637.88</u>      |
| <b>B. Cash flow from Investing Activities</b>             |                       |                       |
| Purchase of fixed Assets                                  | (32,655.30)           | (26,686.26)           |
| Sale of Fixed Assets                                      | 52.69                 | 545.38                |
| Purchase / Sales of Investments                           | -                     | -                     |
| Investment in Fixed Deposits pledged towards Margin Money | 32.29                 | (55.01)               |
| Dividend Income   | 6.24                  | 48.53                 |
| Interest income   | 49.07                 | 59.46                 |
| <b>Net cash used in investing Activities</b>              | <u>(32,515.01)</u>    | <u>(26,087.90)</u>    |
| <b>C. Cash from financing activities</b>                  |                       |                       |
| Proceeds from issue of share capital                      | -                     | 552.00                |
| Proceeds from Long-Term Borrowings                        | 26,908.80             | 16,231.58             |
| Repayment of Long Term Borrowings                         | (8,273.89)            | (7,429.92)            |
| Short Term Borrowings (Net)                               | (5,873.95)            | (0.81)                |
| Finance Costs   | (2,682.03)            | (3,227.21)            |
| Dividend paid   | (755.25)              | (731.16)              |
| Tax on dividend   | (128.39)              | (118.61)              |
| <b>Net cash used in financing Activities</b>              | <u>9,195.29</u>       | <u>5,275.87</u>       |
| <b>Net increase in Cash and Cash equivalents</b>          | <u>(149.75)</u>       | <u>(174.15)</u>       |
| <b>Cash &amp; Cash Equivalents as at 1st April 2013</b>   | <u>317.13</u>         | <u>491.28</u>         |
| <b>Cash &amp; Cash Equivalents as at 31st March 2014</b>  | <u>167.38</u>         | <u>317.13</u>         |
|   | <u>149.75</u>         | <u>174.15</u>         |

As per our Report attached

For V. Sankar Aiyar & Co.  
Chartered Accountants  
FRN No. 109208W  
S. Venkatraman  
Partner  
Membership No. 34319  
Place : Mumbai  
Dated : 19<sup>th</sup> May, 2014

Jigna Karnick  
Dy. Company Secretary

For and on behalf of the Board

Pramod Kumar Jain  
Chairman & Managing Director  
Bakul Jain  
Vivek Jain  
Mudit Jain  
Managing Directors  
Vimal Jain  
Chief Financial Officer



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014:

### NOTE NO. 1

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1. NATURE OF OPERATIONS :

DCW Limited ("Parent Company"), a public limited company, together with its subsidiary, operates as an integrated Chemical Manufacturing organization.

The Parent Company's shares are listed for trading on the National Stock Exchange and the Bombay Stock Exchange in India and its Global Depository Receipts (covering equity shares of Parent Company) are listed on the Luzembourg Stock Exchange.

##### 2. BASIS OF PRESENTATION

The financial statements have been prepared to comply with the Accounting standards referred to in the Companies (Accounting Standards) Rule 2006 issued by the Central Government in exercise of the power conferred under subsection (i) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act'). The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Group unless otherwise stated.

##### 3. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Parent Company and its subsidiary, DCW Pigments Ltd; incorporated in India with effective group shareholding of 100%.

The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealized profits in full. The amount shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the reserves of the consolidated entities.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements.

##### 4. SYSTEM OF ACCOUNTING

- A. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.
- B. The financial statements have been prepared in all material respects with accounting standards as notified in the Companies (Accounting Standards) Rule, 2006 and relevant provisions of the Companies Act, 1956.
- C. Financial statements are prepared on historical cost basis and as a going concern, adjusted for revaluation/dimination in value of certain fixed assets.

##### 5. USE OF ESTIMATED

The preparation of financial statements requires management to make certain estimates and assumption that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

##### 6. FIXED ASSETS AND DEPRECIATION :

###### A) Fixed Assets

Fixed Assets are stated at their original cost, net of Cenvat Credit where applicable (including expenses related to acquisition and installation) except certain Fixed Assets which are adjusted for revaluation.

###### B) Depreciation and Amortisation

Depreciation is charged in the Accounts on straight line method as under:

- a) On assets revalued at Sahapuram Unit on 31-3-93 @ 3 % on the revalued cost based on revision in useful life estimated by the valuer (Refer Note 11.1).
- b) On fixed assets added pursuant to the amalgamation of Pantape Magnetics Limited with the Company, at



rates specified in Schedule XIV to the Companies Act, 1956 on the revalued cost.

- c) On balance fixed assets of the company at rates specified in Schedule XIV to the Companies Act, 1956 on the original cost.
- d) On fixed assets added/disposed of during the year, on pro-rata basis with reference to the month of addition/disposal.
- e) On Technical Know-how fees at 33.33%

#### **7. REVENUE RECOGNITION**

Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefit will follow to the company.

- a) Sales: Revenue from sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts, excise duty, sales returns and sales tax.
- b) Interest: Revenue is recognized on time proportion basis taking into account the outstanding amount and the applicable rate of interest
- c) Dividends: Revenue is recognized when the right to receive payment is established.

#### **8. EXPENDITURE DURING CONSTRUCTION AND ON NEW PROJECTS**

In the case of new projects and in the case of modernisation/expansion of existing units, interest on borrowings for the same and all pre-operative expenditure, incurred during implementation upto the date of installation are included under Capital Work in Progress and capitalised by adding pro-rata to the cost of the assets.

#### **9. INVESTMENTS**

The Company's investments comprise long term and current investments. Long Term investments are stated at cost less permanent diminution, if any, in value. Current investments are stated at lower of cost or market value.

#### **10. INVENTORIES**

Inventories are valued at lower of cost and net realisable value except stores, spares and stock in process and fuel which are valued at cost, packing materials which are valued at or below cost and scrap and by products which are valued at net realisable value. Cost is computed on weighted average basis and includes cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

#### **11. ACCOUNTING FOR CENVAT AND SERVICE TAX CREDITS**

Cenvat credit available on Raw Materials, Fuel and Packing materials, stores, spares and Capital goods and Service tax credit on services availed are accounted for by reducing purchase cost of the related material or the expenses respectively and Cenvat Credit available on fixed assets is accounted by reducing the same from the cost of respective fixed assets.

#### **12. FOREIGN CURRENCY TRANSACTIONS**

- a) Transactions in Foreign Currency are recorded at the exchange rates prevailing on the date of Transactions.
- b) Monetary items denominated in foreign currencies (such as cash receivables, payables, etc.) outstanding at the year end, are translated at exchange rate applicable as of that date.
- c) Non-monetary items denominated in foreign currency (such as investments, fixed assets, etc) are valued at the exchange rate prevailing on the date of transaction.
- d) Any gains or losses arising due to exchange differences at the time of translation or settlement are accounted in the Profit & Loss Account, except as indicated in Note No 11.2.
- e) Premium/discounts on forward exchange contracts are amortised over the life of the contract and recognised in the Profit and Loss account, exchange differences on such contracts are recognized in the profit and loss account in the reporting period in which the exchange rates change.



### 13. RESEARCH & DEVELOPMENT EXPENDITURE

Revenue Expenditure on Research & Development is charged against the Profit of the year in which it is incurred. Capital expenditure on Research & Development is shown as an addition to fixed assets.

### 14. BORROWING COSTS

Borrowing costs attributable to acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

### 15. EMPLOYEE BENEFITS

- a) Contributions to Provident fund are made to recognised funds and are charged to Profit & Loss Account. The interest rate payable by recognized Provident Fund shall not be lower than the statutory rate of interest declared by Central Government and shortfall, if any, shall be made good by the company.
- b) The Superannuation Fund is a Defined Contribution Scheme managed by LIC and SBI Life Insurance Company and contributions made to the fund are charged to Profit and Loss Account.
- c) The company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Premium charged by the Life Insurance Corporation of India, is debited to the Profit and Loss account. Company's contributions based on actuarial valuation arrived on the basis of projected unit credit method are determined at the end of each year and charged to Profit and Loss Account.
- d) Liabilities towards Leave Encashment Benefit are provided for based on actuarial valuation done at the year end.
- e) Contribution to Employee Pension Scheme 1995, are accounted on accrual basis with corresponding remittance made to Government Provident Fund authority.

### 16. PROVISIONS & CONTINGENCIES

- a) A provision arising out of a present obligation is recognized when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated
- b) Wherever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liability.
- c) Show Cause Notices are not considered as Contingent Liabilities unless converted into demand.

### 17. TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence as per Accounting Standard-22 (Accounting for taxes on income) on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only to the extent that there is timing difference, the reversal of which will result in sufficient income. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.

### 18. IMPAIRMENT OF ASSET

The carrying amount of assets are reviewed at each balance sheet date for indication of any impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount. Any such impairment loss is recognized by charging it to the profit and loss account. A previously recognized impairment loss is reversed where it no longer exists and the asset is restated to that effect.





**NOTE "2"**

**SHARE CAPITAL**

**Authorised Capital**

32,50,00,000 Equity Shares of Rs. 2/- each  
(Previous Year 32,50,00,000 Equity Shares @ Rs. 2/- each)

**TOTAL**

Issued, Subscribed and Fully paid up  
20,97,90,953 Equity Shares of Rs. 2/- each  
(Previous Year 20,97,90,953 shares of Rs. 2/- each)

Par value per share

**TOTAL**

| AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|------------------------------------|------------------------------------|
| 6,500.00                           | 6,500.00                           |
| <b>6,500.00</b>                    | <b>6,500.00</b>                    |
| 4,195.82                           | 4,195.82                           |
| Rs. 2/-                            | Rs. 2/-                            |
| <b>4,195.82</b>                    | <b>4,195.82</b>                    |

- a) 2,36,10,000 Shares were issued and allotted on preferential basis to the Promoters of the company and FII's during 2007-08.
- b) 1,36,36,363 Shares were issued and allotted to promoters on conversion of warrants issued on preferential basis to promoters group during 2011-13.
- c) Name of Share Holders holding more than 5% shares

| Name of Shareholder  | As at 31.3.2014 |        | As at 31.3.2013 |        |
|----------------------|-----------------|--------|-----------------|--------|
|                      | No. of Shares   | % held | No. of Shares   | % held |
| Sahu Brothers P. Ltd | 5,01,48,156     | 23.90  | 5,01,48,156     | 23.90  |

The reconciliation of the number of shares outstanding is set out below :

| Particulars  | As at 31.3.2014 | As at 31.3.2013 |
|--|-----------------|-----------------|
|  | No. of Shares   | No. of Shares   |
| Equity Shares at the beginning of the year                                       | 20,97,90,953    | 20,31,00,045    |
| Add : Shares issued on conversion of warrants to Promoters on preferential basis | -               | 66,90,908       |
| Equity Shares at the end of the Year   | 20,97,90,953    | 20,97,90,953    |



**CONSOLIDATED NOTES**  
FORMING PART OF THE BALANCE SHEET

|  | AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|--|------------------------------------|------------------------------------|
| <b>NOTE "3"</b>                          |                                    |                                    |
| <b>Reserves and Surplus</b>              |                                    |                                    |
| <b>Capital Reserves</b>                  |                                    |                                    |
| As per last Balance Sheet                | 406.88                             | 406.88                             |
| Closing Balance                          | 406.88                             | 406.88                             |
| <b>Capital Redemption Reserve</b>        |                                    |                                    |
| As per last Balance Sheet                | 5.30                               | 5.30                               |
| Closing Balance                          | 5.30                               | 5.30                               |
| <b>Securities Premium Reserve</b>        |                                    |                                    |
| Opening Balance                          | 10,667.97                          | 10,065.79                          |
| Add: Additions During the Period         | -                                  | 602.18                             |
| Closing Balance                          | 10,667.97                          | 10,667.97                          |
| <b>Revaluation Reserve</b>               |                                    |                                    |
| Opening Balance                          | 809.16                             | 835.04                             |
| Less: Transfer to Profit & Loss A/c      | 39.89                              | 25.88                              |
| Closing Balance                          | 769.27                             | 809.16                             |
| <b>General Reserve</b>                   |                                    |                                    |
| Opening Balance                          | 28,801.04                          | 24,801.04                          |
| Add: Additions During the Period         | 2,500.00                           | 4,000.00                           |
| Closing Balance                          | 31,301.04                          | 28,801.04                          |
| <b>Surplus</b>                           |                                    |                                    |
| Opening Balance                          | 7,897.03                           | 2,291.82                           |
| Add: Profit / (Loss) for the period      | 3,787.94                           | 10,488.85                          |
| Less: Transfer to General Reserve        | 2,500.00                           | 4,000.00                           |
| Less: Proposed Dividend on Equity Shares | 755.25                             | 755.25                             |
| Less: Tax on Dividend                    | 128.36                             | 128.39                             |
| Closing Balance                          | 8,301.36                           | 7,897.03                           |
| <b>TOTAL</b>                             | <b>51,451.82</b>                   | <b>48,587.38</b>                   |
| <b>NOTE "4"</b>                          |                                    |                                    |
| <b>Long-term Borrowings</b>              |                                    |                                    |
| <b>Term Loans</b>                        |                                    |                                    |
| From banks                               | 31,993.48                          | 21,791.77                          |
| From Financial Institutions              | 26,784.36                          | 16,978.69                          |
| From NBFC                                | -                                  | 1.30                               |
| <b>TOTAL</b>                             | <b>58,777.84</b>                   | <b>38,771.76</b>                   |



**CONSOLIDATED NOTES**  
**FORMING PART OF THE BALANCE SHEET**

Rs. in lacs

| SR NO | PARTICULARS  | 31.3.2014        | 31.3.2014          | 31.3.2013        | 31.3.2013          |
|-------|--|------------------|--------------------|------------------|--------------------|
|       |  | Non Current      | Current Maturities | Non Current      | Current Maturities |
|       | <b>TERM LOANS – SECURED</b>  |                  |                    |                  |                    |
| A     | <b>FROM BANKS :</b>  |                  |                    |                  |                    |
| 1     | <b>TERM LOANS FROM STATE BANK OF INDIA SYNDICATION</b><br>(Repayble in 24 equal quarterly Installment, last installment falling due in August, 2014) | -                | 875.78             | 877.63           | 1,748.00           |
| 2     | <b>TERM LOAN FROM STATE BANK OF PATIALA</b><br>(Repayble in 24 equal quarterly Installment, last instalment falling due in September, 2014)          | -                | 625.00             | 625.00           | 1,250.00           |
| 3     | <b>TERM LOAN FROM STATE BANK OF TRAVANCORE</b><br>(Repayble in 8 equal quarterly installments, last Installment falling due in June, 2013)           | -                | -                  | -                | 312.50             |
| 4     | <b>TERM LOAN FROM ING VYSYA BANK LTD</b><br>(Repayble in 24 equal quarterly instalments, last Installment falling due on June, 2017)                 | 650.11           | 342.59             | 966.41           | 342.59             |
| 5     | <b>ECB FROM ICICI BANK</b><br>(Repayble in 24 equal quarterly installments, last Installment falling due in December, 2015)                          | 1,996.99         | 1,996.99           | 3,618.66         | 1,809.33           |
| 6     | <b>TERM LOAN FROM ICICI BANK LTD</b><br>(Repayble in 28 equal quarterly installments, last Installment falling due in June, 2022)                    | 7,249.65         | -                  | 5,507.08         | -                  |
| 7     | <b>TERM LOAN FROM LAXMI VILAS BANK</b><br>(Repayble in 16 equal quarterly installments, last Installment falling due in June, 2016)                  | 2,000.00         | 1,000.00           | 3,000.00         | 1,000.00           |
| 8     | <b>Term Loan from PNB</b><br>(Repayble in 28 equal quarterly installments, last Installment falling due in June, 2022)                               | 12,443.34        | -                  | 7,125.00         | -                  |
| 9     | <b>Term Loan from ICICI Bank</b><br>(Repayble in 28 equal quarterly installments, last Installment falling due in April, 2023)                       | 2,500.00         | -                  | -                | -                  |
| 10    | <b>TERM LOAN FROM STATE BANK OF TRAVANCORE</b><br>(Repayble in 28 equal quarterly installments, last Installment falling due in April, 2023)         | 2,314.17         | -                  | -                | -                  |
| 11    | <b>Term Loan From Development Credit Bank</b><br>(Repayble in 16 equal quarterly installments, last Installment falling due in December, 2018)       | 2,750.00         | 250.00             | -                | -                  |
| 12    | <b>Car Loans from Bank</b><br>(Repayable in monthly installments, last Installment is due in Mar, 2016)  | 89.22            | 105.50             | 71.99            | 104.29             |
|       | <b>TOTAL – A</b>   | <b>31,993.48</b> | <b>5,195.87</b>    | <b>2,1791.77</b> | <b>6,566.71</b>    |
| B     | <b>FROM INSTITUTIONS :</b>   |                  |                    |                  |                    |
| 13    | <b>TERM LOAN FROM IREDA</b><br>(Repayble in 44 equal quarterly Installment, last instalment falling due in June, 2022)                               | 5,825.49         | 729.56             | 6,555.05         | 729.56             |
| 14    | <b>TERM LOAN FROM EXIM BANK</b><br>(Repayble in 24 equal quarterly Installment, last Installment falling due in June, 2016)                          | 243.79           | 976.00             | 1,219.47         | 976.00             |
| 15    | <b>TERM LOAN FROM EXIM BANK</b><br>(Repayble in 28 equal quarterly installments, last Installment falling due in in Sept, 2022)                      | 17,715.08        | -                  | 9,204.17         | -                  |
| 16    | <b>TERM LOAN FROM EXIM BANK</b><br>(Repayble in 28 equal quarterly Installment, last Installment falling due in in Sept, 2024)                       | 3,000.00         | -                  | -                | -                  |
|       | <b>TOTAL – B</b>   | <b>26,784.36</b> | <b>1,705.56</b>    | <b>16,978.69</b> | <b>1,705.56</b>    |
| C     | <b>FROM NBFC</b>   |                  |                    |                  |                    |
| 17    | <b>Term Loan - NBFC</b>  | -                | 1.30               | 1.30             | 1.62               |
|       | <b>TOTAL C</b>   | <b>-</b>         | <b>1.30</b>        | <b>1.30</b>      | <b>1.62</b>        |
|       | <b>Amount taken to current maturities of long term debts under other current liabilities ( Note No 9 )</b>   | -                | 6,902.73           |                  | 8,273.89           |
|       | <b>TOTAL (A+B+C)</b>   | <b>58,777.84</b> | <b>-</b>           | <b>38,771.76</b> | <b>8,273.89</b>    |



**CONSOLIDATED NOTES**  
**FORMING PART OF THE BALANCE SHEET**

**LOANS – Security : Banks/ Institutions**

Term Loans and External Commercial Borrowings from Banks and Institutions are secured by a pari-passu first charge by way of hypothecation of movable fixed assets of the Company, including movable machinery spares, stores and further secured by mortgage on all the immovable properties of the Company situated in the states of Tamilnadu and Gujarat on first pari-passu charge basis and second charge on Current Assets.

**Institutions:**

The term loans from Institutions are secured by first charge on moveable properties and assets pertaining to windmill assets in the state of Rajasthan on specific charge basis.

**NBFC:**

Term loan from NBFC are secured by creation of charge on all the assets purchased under the loan.

**NOTE “5”**

**Deferred tax liabilities (net)**

Deferred Tax Liability  
Less: Deferred Tax Asset  
**TOTAL**

| AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|------------------------------------|------------------------------------|
| 12,013.84                          | 12,564.80                          |
| 423.78                             | 1,469.58                           |
| <b>11,590.06</b>                   | <b>11,095.22</b>                   |

The break up of Deferred Tax Assets/ Liabilities are as under :

| Nature of timing difference                        | Deferred Tax Liability /<br>(Asset) as at 1st April, 2013 | (Debit/Credit)<br>for the year | Deferred Tax<br>Liability/ (Assets) as<br>at 31st March, 2014 |
|--|---|--------------------------------|---|
| <b>(a) Deferred tax liabilities</b>                |   |                                |   |
| Difference between accounting and tax Depreciation | 11421.61  | 592.23                         | <b>12013.84</b>   |
| <b>Sub-total</b>                                   | <b>11421.61</b>   | <b>592.23</b>                  | <b>12013.84</b>   |
| <b>(b) Deferred tax assets</b>                     |   |                                |   |
| Expenses allowed on payment basis                  | 441.30  | 97.39                          | <b>538.69</b>   |
| Unabsorbed depreciation                            | (114.91)  | -                              | <b>(114.91)</b>   |
| <b>Sub-total</b>                                   | <b>326.39</b>   | <b>97.39</b>                   | <b>423.78</b>   |
|  | <b>11,095.22</b>  | <b>494.84</b>                  | <b>11,590.06</b>  |

**NOTE “6”**

**Long term provisions**

Provision for Leave Encashment & Gratuity  
**TOTAL**

| AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|------------------------------------|------------------------------------|
| <b>969.83</b>                      | 860.01                             |
| <b>969.83</b>                      | <b>860.01</b>                      |

**NOTE “7”**

**Short-term borrowings (from Banks Secured)**

Loans repayable on demand  
Working Capital  
Line of Credit  
**TOTAL**

| AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|------------------------------------|------------------------------------|
| 429.74                             | 3,560.90                           |
| 1,013.49                           | 3,756.30                           |
| <b>1,443.23</b>                    | <b>7,317.20</b>                    |



**CONSOLIDATED NOTES**  
FORMING PART OF THE BALANCE SHEET

**LOANS – Security**

Loans from Banks & Working Capital facilities are secured by a first charge by way of hypothecation and/or pledge of current assets, namely, stocks of materials and finished goods, consumable stores and spares including machinery spares not capitalized, bills receivable and book debts and further secured by a second charge by way of hypothecation over all of movable plant and machinery and by way of mortgage by deposit of title deeds over the immovable properties, both present and future, such mortgage to rank second to the mortgages created/to be created in favour of Term Loan Lenders viz., Banks / Financial Institutions.

|  | AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|--|------------------------------------|------------------------------------|
| <b>NOTE “8”</b>  |                                    |                                    |
| <b>Trade Payables</b>  |                                    |                                    |
| Acceptances against Letters of Credit  | 28,207.83                          | 16,263.13                          |
| Dues of Micro and Small Enterprises (Refer Note No. 39)  | 29.69                              | 39.48                              |
| Sundry Creditors other than dues of Micro and Small Enterprises                                      | 9,630.27                           | 5,005.42                           |
| <b>TOTAL</b>   | <b>37,867.79</b>                   | <b>21,308.03</b>                   |
| <b>NOTE “9”</b>  |                                    |                                    |
| <b>Other current liabilities</b>   |                                    |                                    |
| Current maturities of long term borrowings   |                                    |                                    |
| From banks   | 5,195.87                           | 6,566.71                           |
| From Financial Institutions  | 1,705.56                           | 1,705.56                           |
| From NBFC  | 1.30                               | 1.62                               |
| Interest accrued but not due on borrowings   | 192.59                             | 171.67                             |
| Unclaimed dividends #  | 63.78                              | 69.60                              |
| Unpaid matured deposits and interest accrued thereon   | 0.04                               | 0.04                               |
| Advance received from customers  | 55.65                              | 6,670.69                           |
| Statutory Liabilities  | 1,562.74                           | 1,087.57                           |
| Employee related liabilities   | 1,050.22                           | 1,713.77                           |
| Trade and Other Deposits   | 462.40                             | 530.11                             |
| Creditors for Capital Goods  | 1,284.36                           | 2,230.80                           |
| # Do not include any amount due & outstanding to be credited to investor education & protection fund |                                    |                                    |
| <b>TOTAL</b>   | <b>11,574.51</b>                   | <b>20,748.14</b>                   |
| <b>NOTE “10”</b>   |                                    |                                    |
| <b>Short-term provisions</b>   |                                    |                                    |
| Proposed Dividend - Equity   | 755.25                             | 755.25                             |
| Tax on Dividend  | 128.36                             | 128.39                             |
| Provision for taxation (Net of Advance Tax)  | 255.05                             | 1,036.70                           |
| <b>TOTAL</b>   | <b>1,138.66</b>                    | <b>1,920.34</b>                    |

**NOTES**  
**FORMING PART OF THE BALANCE SHEET**

**NOTE "11"**

Fixed Assets

| Description of Assets | Gross Block As at 1st Apr-13 | Additions and other transfers | Adjustment (Ref. Note No. 11.2) | Sales and other deductions | At cost or revaluation book value 31st March 14 | Depreciation as on 1st April-13 | Adjustments for the year | Dep. On Discarded/Sold Assets | As at 31st March 14 | Net Block As at 31st March 14 | As at 31st March 13 |
|-----------------------|------------------------------|-------------------------------|---------------------------------|----------------------------|---|---------------------------------|--------------------------|-------------------------------|---------------------|-------------------------------|---------------------|
| Land                  | 531.43                       | 0.50                          | -                               | -                          | 531.93  | -                               | -                        | -                             | -                   | 531.93                        | 531.43              |
| Buildings             | 9,500.06                     | 422.77                        | (467.49)                        | -                          | 9,455.34  | 2,723.87                        | 243.94                   | -                             | 2,830.04            | 6,625.30                      | 6,776.19            |
| Plant and Machinery   | 86,420.89                    | 3,726.15                      | 981.49                          | 9.34                       | 91,119.19                                       | 39,460.29                       | 4,053.38                 | 7.13                          | 43,644.31           | 47,474.88                     | 46,960.60           |
| Wind Mill             | 12,080.41                    | 51.10                         | -                               | -                          | 12,131.51                                       | 1,290.53                        | 638.30                   | -                             | 1,928.83            | 10,202.68                     | 10,789.88           |
| Furniture & Fittings  | 646.83                       | 51.46                         | -                               | -                          | 698.29  | 442.53                          | 37.64                    | -                             | 480.17              | 218.12                        | 204.30              |
| Office Equipments     | 558.26                       | 33.78                         | -                               | 1.06                       | 590.98  | 323.34                          | 30.31                    | 0.17                          | 353.48              | 237.50                        | 234.92              |
| Vehicles              | 1,601.50                     | 229.66                        | -                               | 242.22                     | 1,588.94  | 740.80                          | 138.26                   | 126.75                        | 752.31              | 836.63                        | 860.70              |
| <b>Total</b>          | <b>111,339.38</b>            | <b>4,515.42</b>               | <b>514.00</b>                   | <b>252.62</b>              | <b>116,116.18</b>                               | <b>44,981.36</b>                | <b>5,141.83</b>          | <b>134.05</b>                 | <b>49,989.14</b>    | <b>66,127.04</b>              | <b>66,358.02</b>    |
| Previous Year         | 112,982.35                   | 4,139.09                      | -                               | 5,782.06                   | 111,339.38                                      | 44,292.74                       | 5,316.76                 | 4,628.14                      | 44,981.36           | 66,358.02                     | 68,689.61           |

**Notes :**

- 11.1 The Depreciation charge on the assets revalued on 31.03.1993 is more by Rs. 39.90 Lacs ( Previous year Rs. 25.88 Lacs ) than the depreciation charge thereon under section 205 (2) (b) of the Companies Act, 1956 and the same is met by drawing from Revaluation Reserve. The Uplift on revalued assets discarded amounting to Rs. Nil ( Previous Year Rs. Nil ) has also been met by drawing from Revaluation Reserve.
- 11.2 The Company opted for accounting foreign exchange difference on realignment of long term foreign currency loan related to acquisition of depreciable capital assets, as per AS 11 amended by the Companies ( Accounting Standard ) Amendment Rules 2009. Accordingly exchange difference of Rs. 514 Lacs (Previous Year Rs. 376.67 Lacs ) relating to current year has been added to the cost of fixed assets and depreciation charged to Profit & Loss Account and adjustment of Rs. 504.94 Lakhs towards grouping classification between Building and Plant & Machinery of Caustic Soda Division in previous years has been rectified.
- 11.3 Building includes Rs. 523.06 Lacs being cost of ownership flats and office accommodation in Co-operative Societies and a Limited Company against which the company holds shares of the face value of Rs. 0.77 Lacs in Co-operative Societies and the Limited Company.
- 11.4 Assignment deeds in respect of 9.13 acres of land at Caustic Soda Division, transferred by Central Government to the State Government, are yet to be executed by the State Government in favour of the Company.
- 11.5 Land, Building and Plant & Machinery located at Sahapuram Works ( other than PVC Division ) were revalued on 31st March 1993.
- 11.6 The Company exercised the option to purchase 793.39 acres of land leased by the State Government at Sahapuram works. Assignment deeds in respect of the said land is yet to be executed by the State Government in favour of the Company.
- 11.7 Encroachers have occupied some portion of the land belonging to the company at Sahapuram. Efforts are being made to evict them.
- 11.8 Previous Period figures have been regrouped/rearranged to match with the current year.



**CONSOLIDATED NOTES**  
FORMING PART OF THE BALANCE SHEET

**NOTE "12"**

**INVESTMENTS (AT COST, UNLESS OTHERWISE SPECIFIED) :**

**INVESTMENTS IN EQUITY INSTRUMENTS :**

Rs. in lacs

|  | FACE VALUE<br>(RUPEES)<br>UNIT | 31.03.2014 |              | 31.03.2013 |              |
|--|--------------------------------|------------|--------------|------------|--------------|
|  |                                | LONG TERM  |              | LONG TERM  |              |
|  |                                | NOS.       | RUPEES       | NOS.       | RUPEES       |
| <b>NON-TRADE INVESTMENTS :</b>   |                                |            |              |            |              |
| <b>UNQUOTED :</b>  |                                |            |              |            |              |
| (i) INVESTMENTS IN GOVERNMENT/<br>TRUST SECURITIES :                                 |                                |            |              |            |              |
| 7 YEARS NATIONAL SAVINGS<br>CERTIFICATES   | 1000                           | 10         | 0.10         | 10         | 0.10         |
| (ii) INVESTMENT IN EQUITY SHARES OF<br>THE DHRANGADHRA PEOPLES CO-OP.<br>BANK LTD.,* | 25                             | 10         | 0.250        | 10         | 0.250        |
| (iii) INVESTMENT IN EQUITY SHARES IN<br>COMPANIES :                                  |                                |            |              |            |              |
| GLOBAL TRUST BANK  | 10                             | 19,000     | 1.90         | 19,000     | 1.90         |
| LESS : PROVISION FOR DEMINATION<br>OF VALUE IN SHARES                                |                                | 19,000     | 1.90         | 19,000     | 1.90         |
| <b>QUOTED :</b>  |                                |            |              |            |              |
| INVESTMENTS IN EQUITY SHARES OF<br>THE COMPANIES :                                   |                                |            |              |            |              |
| LIC HOUSING FINANCE LIMITED  | 2                              | 87,000     | 10.44        | 87,000     | 10.44        |
| TATA CONSULTANCY SERVICES  | 1                              | 12         | 0.03         | 12         | 0.03         |
| RELIANCE INDUSTRIES LIMITED  | 10                             | 3,504      | 16.82        | 3,504      | 16.82        |
|  |                                |            | <b>27.29</b> |            | <b>27.29</b> |
| <b>TOTAL LONG TERM INVESTMENT</b>  |                                |            | <b>27.39</b> |            | <b>27.39</b> |
| .* Figures Denote Amount in Rupees   |                                |            |              |            |              |
| <b>OTHER DISCLOSURES :</b>   |                                |            |              |            |              |
| (I) Aggregate value of quoted investments<br>(Gross)                                 |                                |            | 27.29        |            | 27.29        |
| Market value of quoted investments   |                                |            | 237.88       |            | 223.01       |
| (II) Aggregate value of unquoted investments<br>(Gross)                              |                                |            | 7.00         |            | 7.00         |
| (III) Aggregate value of dimunition in value of<br>investments                       |                                |            | 1.90         |            | 1.90         |



**CONSOLIDATED NOTES**  
FORMING PART OF THE BALANCE SHEET

|   | AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|---|------------------------------------|------------------------------------|
| <b>NOTE "13"</b>  |                                    |                                    |
| <b>Long-term loans and advances</b>                         |                                    |                                    |
| Capital Advances  | 1,407.02                           | 949.02                             |
| Security Deposits   | 284.60                             | 278.14                             |
| Loans and advances to related parties<br>(Refer Note No.33) | 5.64                               | 5.64                               |
| Staff Loans & Advances                                      | 21.71                              | 19.56                              |
| Vat Refund Receivable A/C                                   | 18.60                              | 12.21                              |
| <b>TOTAL</b>  | <b>1,737.57</b>                    | <b>1,264.57</b>                    |
| <b>NOTE "14"</b>  |                                    |                                    |
| <b>Other non-current assets</b>                             |                                    |                                    |
| Receivable under Forward Cover Contracts                    | 386.67                             | 580.00                             |
| Pre - operative Expenditure                                 | 1.29                               | 1.10                               |
| Mat Credit Entitlement                                      | 722.81                             | 529.00                             |
| <b>TOTAL</b>  | <b>1,110.77</b>                    | <b>1,110.10</b>                    |
| <b>NOTE "15"</b>  |                                    |                                    |
| <b>Inventories (As Certified by the Management)</b>         |                                    |                                    |
| Raw materials   | 9,370.36                           | 13,737.28                          |
| Work-in-process   | 44.78                              | 33.18                              |
| Finished goods  | 8,217.14                           | 6,197.61                           |
| Stores, Spares and Fuel                                     | 2,536.63                           | 2,902.19                           |
| Packing Materials   | 181.17                             | 188.98                             |
| Packing Drums & Scrap                                       | 2.66                               | 2.66                               |
| Coke dust, Gypsum   | -                                  | 35.52                              |
| Shares  | 8.58                               | 8.58                               |
| <b>TOTAL</b>  | <b>20,361.32</b>                   | <b>23,106.00</b>                   |

**Investment in shares**

|  | Face Value<br>Per Share (Rs.) | AS AT 31.03.2014 |                          | AS AT 31.03.2013 |                          |
|--|-------------------------------|------------------|--------------------------|------------------|--------------------------|
|  |                               | No of<br>Shares  | Amount<br>Rupees in lacs | No of<br>Shares  | Amount<br>Rupees in lacs |
| <b>Quoted</b>                            |                               |                  |                          |                  |                          |
| Reliance Industries Ltd                  | 10                            | 1,122            | 0.44                     | 1,122            | 0.44                     |
| Reliance Communication Ltd.,             | 5                             | 553              | -                        | 553              | -                        |
| Reliance Infrastructure Ltd.,            | 10                            | 41               | -                        | 41               | -                        |
| Reliance Power Ltd.,                     | 10                            | 138              | -                        | 138              | -                        |
| Reliance Capital Ltd.,                   | 10                            | 27               | -                        | 27               | -                        |
| Grasim Industries Ltd                    | 10                            | 700              | 2.01                     | 700              | 2.01                     |
| Ultratech Cements Ltd.,                  | 10                            | 400              | -                        | 400              | -                        |
| Ranbaxy Laboratories Ltd                 | 5                             | 5,426            | 5.60                     | 5,426            | 5.60                     |
| Reliance Industrial Infrastructure Ltd., | 10                            | 1,900            | 0.19                     | 1,900            | 0.19                     |
| Indian Telephone Industries Ltd.,        | 10                            | 3,400            | 0.34                     | 3,400            | 0.34                     |
| <b>TOTAL</b>                             |                               |                  | <b>8.58</b>              |                  | <b>8.58</b>              |





**CONSOLIDATED NOTES**  
FORMING PART OF THE BALANCE SHEET

|  | AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|--|------------------------------------|------------------------------------|
| <b>NOTE "16"</b>   |                                    |                                    |
| <b>Trade Receivables</b>   |                                    |                                    |
| Trade Receivable outstanding for a period exceeding six months   |                                    |                                    |
| – Secured, considered good   | 30.00                              | 30.00                              |
| – Unsecured considered good  | 212.50                             | 640.34                             |
| – Doubtful   | 261.25                             | 261.25                             |
| Less: Provision for doubtful debts   | (261.25)                           | (261.25)                           |
| <b>Other Trade Receivables</b>   |                                    |                                    |
| – Unsecured, considered good   | 9,188.58                           | 8,609.40                           |
| <b>TOTAL</b>   | <b>9,431.08</b>                    | <b>9,279.74</b>                    |
| <b>NOTE "17"</b>   |                                    |                                    |
| <b>Cash and Cash Equivalents</b>   |                                    |                                    |
| Balances with Banks in current account   | 149.76                             | 307.09                             |
| Cheques,drafts on hand   | 0.06                               | 0.06                               |
| Cash on hand   | 17.56                              | 9.98                               |
| Other Bank Balances  | 167.38                             | 317.13                             |
| Fixed Deposit<br>(Include Pledge towards Margin Money Deposit of Rs Nil (P Y Rs 1.03 Lacs) with maturity of less than 12 months) | 177.78                             | 210.08                             |
| <b>TOTAL</b>   | <b>345.16</b>                      | <b>527.21</b>                      |
| <b>NOTE "18"</b>   |                                    |                                    |
| <b>Short-term loans and advances</b>   |                                    |                                    |
| Advance recoverable in cash or in kind or for value to be received   | 1,721.95                           | 2,092.56                           |
| Staff Loans  | 217.85                             | 71.67                              |
| Prepaid Expenses   | 159.13                             | 116.82                             |
| Balances with Customs, Central Excise, etc,  | 5,977.43                           | 6,548.01                           |
| <b>TOTAL</b>   | <b>8,076.36</b>                    | <b>8,829.06</b>                    |
| <b>NOTE "19"</b>   |                                    |                                    |
| <b>Other current assets</b>  |                                    |                                    |
| Other Current Assets   | -                                  | 1.76                               |
| Other Contactual Receivables   | -                                  | 133.06                             |
| <b>TOTAL</b>   | <b>-</b>                           | <b>134.82</b>                      |



**CONSOLIDATED NOTES**  
FORMING PART OF THE BALANCE SHEET

|  | AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|--|------------------------------------|------------------------------------|
| <b>NOTE "20"</b>   |                                    |                                    |
| <b>Revenue from Operations Sale of products</b>                                      |                                    |                                    |
| – Direct sales of manufactured products  | 87,799.06                          | 74,520.51                          |
| – Consignment sales of manufactured products   | 34,452.78                          | 25,834.76                          |
| – Export sales of manufactured products  | 22,458.80                          | 41,949.66                          |
| – Sales of traded goods  | 198.74                             | -                                  |
| Sale of Scrap and other materials  | 408.50                             | 538.67                             |
| <b>Other Operating Income</b>  |                                    |                                    |
| Sale of DEPB Licence   | 619.96                             | 887.06                             |
| <b>TOTAL</b>   | <b>1,45,937.84</b>                 | <b>1,43,730.66</b>                 |
| Less : Excise duty   | 13,382.63                          | 10,950.70                          |
| <b>TOTAL</b>   | <b>1,32,555.21</b>                 | <b>1,32,779.96</b>                 |
| <b>NOTE "21"</b>   |                                    |                                    |
| <b>Other Income</b>  |                                    |                                    |
| Interest Income  | 49.07                              | 59.46                              |
| TDS Rs. 2.99 lacs (PY Rs. 3.88 lacs)   |                                    |                                    |
| Dividend Income on long-term investments   | 4.11                               | 3.79                               |
| Dividend Income on current investments   | 2.13                               | 44.74                              |
| Profit on Sale of Fixed Assets   | 2.68                               | 0.24                               |
| Unclaimed balance written back   | 8.51                               | 1.79                               |
| Insurance claims received  | 8.95                               | 93.52                              |
| Other Non-operating Income   | 55.97                              | 85.29                              |
| <b>TOTAL</b>   | <b>131.42</b>                      | <b>288.83</b>                      |
| <b>NOTE "22"</b>   |                                    |                                    |
| <b>Cost of Material consumed</b>   |                                    |                                    |
| Opening stock in hand and in process   | 9,753.72                           | 4,777.04                           |
| Add: Purchase of Raw materials   | 69,231.64                          | 65,657.57                          |
| Less: Closing stock in hand and in process   | 9,370.35                           | 9,753.72                           |
| <b>TOTAL</b>   | <b>69,615.01</b>                   | <b>60,680.89</b>                   |
| <b>NOTE "23"</b>   |                                    |                                    |
| <b>Purchase of stock-in-trade</b>  |                                    |                                    |
| Purchase of Stock in Trade   | 218.77                             | 23.44                              |
| <b>TOTAL</b>   | <b>218.77</b>                      | <b>23.44</b>                       |
| <b>NOTE "24"</b>   |                                    |                                    |
| <b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b> |                                    |                                    |
| Closing stock:   |                                    |                                    |
| Finished Goods   | (7,598.03)                         | (5,784.60)                         |
| Work-in-process  | (44.78)                            | (33.18)                            |
| Packing Drums and Scrap  | (2.66)                             | (2.66)                             |
| Coke dust,Gypsum   | (35.52)                            | (35.52)                            |
| Traded Shares  | (8.58)                             | (8.58)                             |
|  | <b>(7,689.57)</b>                  | <b>(5,864.54)</b>                  |



**CONSOLIDATED NOTES**  
FORMING PART OF THE BALANCE SHEET

|  | AS AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|--|------------------------------------|------------------------------------|
| Less : Drawn from Revaluation Reserve  |                                    |                                    |
| Opening Stock:   |                                    |                                    |
| Finished Goods   | 5,784.60                           | 2,201.62                           |
| Work-in-process  | 33.18                              | 75.80                              |
| Packing Drums and Scrap  | 2.66                               | 20.74                              |
| Coke dust, Gypsum  | 35.52                              | 52.24                              |
| Traded Shares  | 8.58                               | 8.58                               |
|  | <b>5,864.54</b>                    | <b>2,358.98</b>                    |
| <b>TOTAL</b>   | <b>( 1,825.03)</b>                 | <b>(3,505.56)</b>                  |
| <b>NOTE "25"</b>   |                                    |                                    |
| <b>Excise duty on inventory differential</b>   |                                    |                                    |
| Excise Duty in Closing Stock   | (619.12)                           | (413.01)                           |
| Excise Duty in Opening Stock   | 413.01                             | 254.54                             |
| <b>TOTAL</b>   | <b>(206.11)</b>                    | <b>(158.47)</b>                    |
| <b>NOTE "26"</b>   |                                    |                                    |
| <b>Employee benefits expense</b>   |                                    |                                    |
| Salaries and wages   | 6,520.48                           | 6,063.82                           |
| Contributions to provident and other funds   | 667.36                             | 729.03                             |
| Staff Welfare Expenses   | 633.06                             | 624.04                             |
| Directors Remuneration (Net of Capitalisation<br>of Rs.70.01 lacs (PY. Rs. 48.12 lacs) | 445.32                             | 1,491.59                           |
| <b>TOTAL</b>   | <b>8,266.22</b>                    | <b>8,908.48</b>                    |
| <b>NOTE "27"</b>   |                                    |                                    |
| <b>Finance costs</b>   |                                    |                                    |
| Interest expense   | 2,243.68                           | 2,726.58                           |
| Other borrowing costs  | 34.48                              | 26.88                              |
| Bank Charges   | 424.80                             | 459.30                             |
| <b>TOTAL</b>   | <b>2,702.96</b>                    | <b>3,212.76</b>                    |
| <b>NOTE "28"</b>   |                                    |                                    |
| <b>Depreciation</b>  |                                    |                                    |
| Depreciation provided on fixed assets  | 5,141.81                           | 5,316.76                           |
| Less: Drawn from Revaluation Reserve   | (39.89)                            | (25.88)                            |
| <b>TOTAL</b>   | <b>5,101.92</b>                    | <b>5,290.88</b>                    |
| <b>NOTE "29"</b>   |                                    |                                    |
| <b>Other expenses</b>  |                                    |                                    |
| Packing charges  | 1,596.99                           | 1,470.20                           |
| Power and fuel   | 23,975.21                          | 23,755.54                          |
| Operating and maintenance expenses   | 1,800.14                           | 3,722.90                           |
| Rent   | 101.02                             | 64.95                              |



**CONSOLIDATED NOTES**  
FORMING PART OF THE BALANCE SHEET

|  | AT<br>31/03/2014<br>Rs. in lacs | AS AT<br>31/03/2013<br>Rs. in lacs |
|--|---------------------------------|------------------------------------|
| Repairs to building  | 1,025.25                        | 806.98                             |
| Repairs to machinery   | 4,697.78                        | 4,460.51                           |
| Repairs to other assets  | 519.37                          | 231.22                             |
| Insurance  | 293.20                          | 287.53                             |
| Rates and Taxes  | 89.64                           | 148.01                             |
| Licence fees paid  | 52.57                           | 54.72                              |
| <b>TOTAL A</b>   | <b>34,151.17</b>                | <b>35,002.56</b>                   |
| Payments to auditors   |                                 |                                    |
| – as auditors  | 10.00                           | 10.00                              |
| – for taxation matters (Includes Tax Audit Fees<br>Rs.2.50 lacs (Previous Year Rs. 2.50 lacs))           | 6.31                            | 6.10                               |
| – for other services   | 4.54                            | 4.42                               |
| – for reimbursement of expenses  | 3.86                            | 2.20                               |
| <b>TOTAL B</b>   | <b>24.71</b>                    | <b>22.72</b>                       |
| Travelling expenses  | 232.84                          | 365.72                             |
| Conveyance expenses  | 204.74                          | 180.73                             |
| Advertisement expenses   | 19.18                           | 21.34                              |
| Professional fees  | 385.48                          | 538.95                             |
| Directors Sitting Fees   | 3.95                            | 3.60                               |
| Assets Sold or Written off   | 68.56                           | 18.59                              |
| Wealth tax paid  | 6.52                            | 6.03                               |
| Donation   | 8.69                            | 8.21                               |
| Freight, Transportation, Loading and other Charges (net)   | 3,532.23                        | 2,253.38                           |
| Commission to wholesalers / others   | 648.20                          | 607.30                             |
| Cash discount  | 197.69                          | 92.65                              |
| Vehicle expenses   | 112.78                          | 104.75                             |
| Exchange Difference (Net)  | 3,141.35                        | 1,688.14                           |
| Miscellaneous Expenses   | 855.43                          | 1,070.48                           |
| <b>TOTAL C</b>   | <b>9,417.64</b>                 | <b>6,959.87</b>                    |
| <b>TOTAL A+B+C</b>   | <b>43,593.52</b>                | <b>41,985.15</b>                   |
| <b>NOTE “30”</b>   |                                 |                                    |
| <b>CONTINGENT LIABILITIES NOT PROVIDED FOR :</b>   |                                 |                                    |
| Disputed Sales Tax Demands   | 4,100.39                        | 2,192.02                           |
| Disputed Excise/Service Tax Demands  | 488.15                          | 344.51                             |
| Disputed Customs Duty  | 321.18                          | 159.61                             |
| Company’s contribution to ESI not made pursuant to petitions for<br>exemption pending before High Court. | 710.97                          | 86.08                              |
| Lease Rent, Local Cess, Octroi, Interest on Octroi,<br>Surcharge, Stamp Duty, Water and Electricity duty | 4,797.97                        | 2,911.25                           |
| Disputed Industrial relations matters  | –                               | 518.74                             |
| <b>Claims not acknowledged as debts :</b>  | –                               | –                                  |
| <b>TOTAL</b>   | <b>10,418.66</b>                | <b>6,212.21</b>                    |
| <b>GUARANTEE AS A MEMBER OF THE ALKALI MFG.<br/>ASSN. ( A Company Limited by Guarantee)</b>              | <b>Rs. 500</b>                  | <b>Rs. 500</b>                     |

Note No. 31 to 43 Please refer to standalone accounts of DCW Limited.

Note No.44

Previous figures are regrouped to match with Current Years grouping.



## DCW LIMITED

Registered office: Dhrangadhra – 363 315, Gujarat  
Tel . No. 22871914,22871916, 22020743, Fax: 22 2202 8838 Website:www.dcwLtd.com  
CIN No.L24110GJ1939PLC000748 Email: ho @dcwLtd.com

### Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : .....  
Registered address : .....  
E-mail : .....  
Folio no./Client Id/DP Id : .....  
No. of shares : .....

I / We, being the member(s) of the above named company, hereby appoint:

Name:..... E-mail: .....  
Address :.....  
Signature .....  
or failing him / her

Name : ..... E-mail : .....  
Address : .....  
Signature: \_\_\_\_\_  
or failing him / her

Name : ..... E-mail : .....  
Address : .....  
Signature : \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 75th Annual General Meeting of the Company, to be held on Wednesday, 13th August, 2014 at 10.00 A.M. at the Registered Office of the Company (Guest House No.2) at Dhrangadhra – 363 315, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

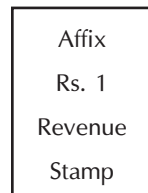


| Resolution No. | Resolution |
|----------------|------------|
|----------------|------------|

**Ordinary business**

|                         |  |
|-------------------------|--|
| 1.                      | To consider and adopt the Audited Financial Statement for the year ended March 31, 2014 and the Reports of the Directors and the Auditors thereon.                     |
| 2.                      | To declare dividend on Equity shares of the Company  |
| 3.                      | To appoint a Director in place of Shri Bakul Jain, who retires by rotation and, being eligible, offers himself for reappointment.                                      |
| 4.                      | To appoint Auditors and to fix their remuneration and in this connection, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution |
| <b>Special Business</b> |  |
| 5                       | Appointment of Shri. Sodhsal Singh Dev as an Independent Director of the Company   |
| 6                       | Appointment of Smt. Sujata Rangekar as an Independent Director of the Company  |
| 7                       | Appointment of Shri. Shri. D. Ganapathy as an Independent Director of the Company  |
| 8                       | Appointment of Shri. Salil Kapoor as an Independent Director of the Company  |
| 9                       | Appointment of Shri. Vivek Jain as Director of the Company   |
| 10                      | Appointment of Shri. Saatvik Jain as President of the Company  |
| 11                      | Appointment of Shri. Ashish Jain as Sr. President of the Company   |
| 12                      | Appointment of Smt. Paulomi Jain as President of the Company   |
| 13                      | Appointment of Smt. Malti Bhindi as President of the Company   |
| 14                      | Appointment of Shri. Vivek Jain as Managing Director of the Company  |
| 15                      | Appointment of Shri. Mudit Jain as Managing Director of the Company  |
| 16                      | Increase in remuneration of Shri. P.K. Jain, Managing Director of the Company  |
| 17                      | Increase in remuneration of Shri. Bakul Jain, Managing Director of the Company   |
| 18                      | Reappointment of Shri. P.K. Jain as Managing Director of the Company   |
| 19                      | Reappointment of Shri. Bakul Jain as Managing Director of the Company  |
| 20                      | Adoption of new Articles of Association of the Company   |
| 21                      | Approval for preferential issue of equity shares to the Promoters  |
| 22                      | To approve the remuneration of the Cost Auditors for the financial year ending March, 31, 2015   |

Signed this ..... day of ..... 2014.



.....  
Signature of the proxy holder(s)

.....  
Signature of the member

Notes: 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.



## DCW LIMITED

Registered office: Dhrangadhra – 363 315, Gujarat  
Tel.No. 22871914,22871916, 22020743, Fax: 22 2202 8838 Website:www.dcwLtd.com  
CIN No.L24110GJ1939PLC000748 Email: ho @dcwLtd.com

### ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall  
75th ANNUAL GENERAL MEETING

Folio No. / Client ID / DP ID :

No. of Shares :

Name of the attending member / Proxy (in BLOCK LETTERS)

I hereby record my presence at the SEVENTY FIFTH ANNUAL GENERAL MEETING of the Company being held at 10.00 a.m. on Wednesday, 13<sup>th</sup> August, 2014 at Dhrangadhra – 363 315, Gujarat.

.....  
Member's/Proxy's Signature  
(To be signed at the time of handing over the Slip)

#### ELECTRONIC VOTING PARTICULARS

| Electronic Voting Event Number | User ID | Password / PIN |
|--------------------------------|---------|----------------|
|                                |         |                |

Note: Please read the Complete instructions given under the Note No. 14 (Procedure for e-Voting through electronic means) to the Notice of Annual General Meeting. The voting time is from 9 a.m. to 6.00 p.m. on Friday August 8, 2014. The voting module shall be disabled by NSDL thereafter.

