



2015-2016
77th Annual Report



"Striding Towards a New Future"

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.

AUDITORS

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

REGISTERED OFFICE

Dhrangadhra – 363 315, Gujarat.

HEAD OFFICE

“Nirmal” 3rd Floor,
Nariman Point,
Mumbai – 400 021.

BRANCH OFFICE

Indra Palace, 1st 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.

77th

Annual Report
2015 – 2016

Note : The Balance Sheet, Profit and Loss Account and Key Financial Data are also presented in US \$ on Page Numbers 39,40 & 41 respectively.



Directors' Report

TO THE MEMBERS

Your Directors present their 77th Annual Report and Audited Financial Statements for the Financial Year ended 31st March, 2016 -

1. Financial Results

	31-03-2016 (Rs. in lacs)	31-3-2015 (Rs. in lacs)
Net Sales	127159.80	125446.82
Gross Profit	9513.21	4723.64
Less : Provisions		
Depreciation	6621.65	5200.17
Profit Before Tax/(Loss)	2891.56	(476.54)
Tax: Current Period	650.00	-
Previous Period	-	26.09
MAT Credit available for set off / Utilized	(617.00)	211.73
	33.00	(237.82)
Profit/(Loss)After Current Tax & Tax Adjustments	2858.56	(714.36)
Deferred Tax	1003.98	(122.19)
Profit after Tax/(Loss)	1854.58	(592.17)
Add: Balance brought forward	7709.19	8301.36
Profit available for Appropriation	9563.77	7709.19
Appropriations:		
General Reserves	-	-
Proposed Dividend	-	-
Dividend Distribution Tax	-	-
Balance carried forward	9563.77	7709.18

2. Dividend:

Due to lower profits from the operations of the Company during the year and to conserve cash required for the ongoing projects of the Company, your Directors have not recommended any dividend for the year on the equity shares of the Company.

3. Operations:

The sales for the year are Rs.1271.60 crores compared to Rs.1254.47 crores in the previous year. The profit for the year (before depreciation) was Rs.95.13 crores against a profit of Rs. 47.24 crores in the previous year. The profit before tax amounted to Rs.28.92 crores as against loss of Rs. 4.77 crores in the previous year. The profit after provision of current tax / taxes for the year is Rs.28.59 crores against a loss of Rs. 7.14 crores for previous year and profit after deferred tax was Rs. 18.55 crores against loss of Rs. 5.92 crores for previous year.

4. Exports:

The Company's exports were of **Rs. 177.54** crores as compared to **Rs. 158.30** crores in the previous year. The increase in Export Turnover is on account of higher sale of Synthetic Rutile,

5. Subsidiary :

DCW Pigments Limited, has not yet commenced its operations and is not likely to commence any business activities in future. The Board of Directors in its meeting held on 25th May 2016 has decided to dispose of the investment made in the equity shares of the said Subsidiary. Hence in accordance with Accounting Standard 21(AS-21) the Company has discontinued the preparation of Consolidated financial statements from the financial year 2015 -2016.

5.1 Division wise performance:

a) PVC Division:

The turnover of the division was Rs. 577.26 crores as compared to Rs. 596.56 crores in the previous year, a reduction of 3.24%. This fall in turnover is mainly on account lower realization of PVC, which is in line with fall in raw material prices. 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 was Rs. 478.90 crores as compared to Rs.450.18 crores in the previous year, an increase of 6.38%. The increase in turnover of the division is mainly on account of higher sales of Synthetic Rutile.

c) Soda Ash Division:

The turnover of the division was Rs.195.57 crores as compared to Rs.192.84 crores. The working of this division is stable and the demand in this segment is consistent. Looking to the comfortable demand and supply positions in coming years and no major additional capacities coming up in near future, the working of this division is expected to be stable.

5.2 There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2015-2016 and the date of this Report.

6. PROJECT UNDER IMPLEMENTATION.

Chlorinated Poly Vinyl Chloride (C-PVC) Project.

The Company has signed Technology License agreement with Arkema of France for putting up Chlorinated Poly Vinyl Chloride (C-PVC) Plant at its Sahapuram Works in Tamilnadu. The UHDE India, has been appointed to do detailed engineering for the project. The work on this project is in advanced stage of completion.

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

7.1 Industry Structure and Developments

7.1.1 Caustic Soda is an Alkaline used in sectors like, soaps, detergents, paper and chemicals (alumina sector). The demand for Caustic Soda is driven by the upturn in the production growth in these sectors. The installed capacity of caustic soda is about 28.60 lakhs tones out of which 50% of the capacities are in western part of India, 25% in Southern India.

7.1.2 Soda Ash is mainly used in industries such as Detergents, Dye intermediaries, Sodium Silicate, Ore refining, Glass industry, Pesticides, Paper, Pharmaceuticals and Mining industries. Sodium Bi-carbonate which is manufactured by Soda Ash industries is being used in bakeries and also by chemical and pharmaceutical industries. The total installed capacity in soda ash industry is 33.61 lakh MT. All these capacities are concentrated in western part of India due to availability of required raw materials i.e. salt, lime stone and coal/lignite. The demand for soda ash is increasing by 5% annually mainly due to demands from detergent and glass sectors. India is also exporting soda ash to South East Asian countries.

7.1.3 Poly Vinyl Chloride (PVC) is the most commonly used thermoplastic. PVC is produced from Vinyl Chloride Monomer (VCM), which is obtained from ethylene dichloride (EDC), a derivative of ethylene and chlorine. PVC is used in a variety of items, such as pipes and fittings, wires and cables, calendared sheets, blow molded bottles, profiles, footwear, roofing, automotive parts, table cloths, shower curtains and furniture in India. The per capita consumption of PVC is significantly lower as compared with developed countries.

Total installed capacity of PVC industry is 1.35 Million Tons. The domestic demand of PVC is about 2.65 Million Tons. The shortfall of 1.30 Million Tons in supply is met by imports.

Based on the demand supply projections, substantial deficit is expected in the polyvinyl chloride market, which will be met by imports. The market for PVC is expanding by 5 to 6% p.a. and hence there is scope for increasing capacities.

7.2 Opportunities and Threats

The domestic demand for all the products manufactured by the Company is growing which gives opportunity to expand its production capacities and take benefit of the expanding market. Company's Caustic Soda, Synthetic Rutile and PVC Units are near to Tuticorin Port in Tamilnadu and this gives opportunity to the Company to easily export its products. Company has opportunity to go in backward/forward integration in the products it manufactures which can make the Company more competitive.

The low cost imports coming in to the country can be a threat in future. However, Company's efforts over the years have made it a low cost producer and hence the Company is capable of facing international competition. Company is exporting its products against international competition.

7.3 Segment-wise or product-wise performance.

7.3.1 PVC Division:

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

7.3.2 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.

7.3.3 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 of Iran, Pakistan, China, Ukraine, Kenya, Turkey, Russia, European Union and the US by Govt. of India will protect the industry against dumping of Soda Ash from these countries.

7.3.4 Synthetic Iron Oxide Pigment Division:

The new Synthetic Iron Oxide Pigment Division of the company has started production and with this the company has entered into specialty chemical segment. This segment production will give more stability to the profitability of the company.

7.4 Outlook:

The Company has diversified operations with three major business segments viz. PVC, Chloro Alkali and Soda Ash. It is thus reasonably protected from the vagaries of individual business cycles of these products. By the commencement of commercial production at company's new Synthetic Iron Oxide Pigment plant, company has entered into specialty chemical segment and this will give more stability to the bottom line of the company.

7.5 Risks and concerns

The Company's performance depends upon number of factors viz., fluctuations in the exchange rates of Rupee with major International currencies, change in raw-material prices, change in duty structure on the raw materials imported and Company's various products, change in Government policies in the sectors in which company operates etc.

7.6 Internal Control Systems and their adequacy

Company has adequate internal control system commensurating 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.

7.7 Financial Performance with respect to Operational Performance

Company has achieved a good result in the financial year. Although the revenues have improved only by 1.37% to Rs.127159.80 lakhs against the revenue of Rs.125446.82 lacs compared to previous year, the profit before tax has increased to Rs.2891.56 lakhs as compared to loss of Rs.(416.38) lacs of the previous year. These improvements are due to continuous upgradation of our technical capabilities and better performance of our Soda Ash, PVC and Caustic Soda divisions.

7.8 Material Developments in Human Resources/Industrial Relation front, including number of people employed.

Company continuous to give utmost importance to human resources development and keeps relations cordial.

Cautionary Note:

Statement in this report describing the company's objectives, projections, estimates, expectation and prediction may be "forward looking statements". Actual results could differ materially from those expressed or implied due to variations in prices of raw materials and realization of finished goods, changes in government regulation, tax regimes, economic developments and other incidental factors

8. Directors & Key Managerial Personnel

A. Retirement by rotation

In accordance with the provisions of Section 152 (6) Mr. P.K. Jain (DIN No.00380458) retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

B. Appointment of Independent Directors

With coming into force of the Companies Act, 2013 all the existing Independent Directors viz., Shri Sodhsal Singh Dev of Dhrangadhra (DIN No.00682550), Smt. Sujata Rangenekar (DIN No.06425371), Shri D. Ganapathy (DIN No.02707898) and Shri Salil Kapoor (DIN No.02256540) were appointed as Independent Directors by the members of the Company at the Annual General Meeting held on 13th August, 2014 under Section 149 and other applicable provisions of the Companies Act, 2013 for a term of 5 consecutive years upto the conclusion of the 80th Annual General Meeting in the calendar year 2019.

C. Performance Evaluation -

Pursuant to the provisions of the companies act 2013 and revised clause 49 of the listing agreement Regulation 17(10) of SEBI (LODR) , Regulation 2015 , the Board has carried out an Annual Evaluation of its own performance and that of its committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as participation, adequate preparation, contribution to strategy and other areas, quality of decision making, high quality of debate with robust and probing discussions etc.

The Nomination and Remuneration Committee evaluated the performance of the Directors. Independent Directors at a separate meeting held by them have evaluated the performance of the non-Independent Directors and also evaluated the performance of the Chairman taking into consideration the views of Managing Directors.

The Board of Directors have also evaluated the performance of each of the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Mr P.K. Jain, Chairman & Managing Director, Mr Bakul Jain, Mr Mudit Jain, Mr Vivek Jain, Managing Directors and Mr Vimal Jain, Chief Financial Officer and Ms. Jigna Karnick, Company Secretary are Key Managerial Personnel under Section 203 of the Companies Act, 2013.

9. Particulars of employees

- 9.1 The information required under Section 197 of the Companies Act, 2013 and Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as **Annexure 'A'**.
- 9.2 The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;

Managing Directors	Ratio to median remuneration
Shri P.K. Jain	33:1
Shri Bakul Jain	33:1
Shri Mudit Jain	33:1
Shri Vivek Jain	33:1

For this purpose, sitting fees paid to the Directors have not been considered as remuneration.

- b. The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial Year.

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial Year
Shri P.K. Jain - Chairman & Managing Director	Nil
Shri Bakul Jain - Managing Director	Nil
Shri Mudit Jain - Managing Director	Nil
Shri Vivek Jain - Managing Director	Nil
Shri Vimal Jain - Chief Financial Officer	6.85
Ms. Jigna Karnick - Company Secretary	11.00

- c. The percentage increase in the median remuneration of employees in the financial year : 7%
- d. The number of permanent employees on the rolls of Company : 1989
- e. The explanation on the relationship between average increase in remuneration and Company performance: There is no direct relationship between average increase in remuneration of employee and company performance.
- f. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Aggregate remuneration of key managerial personnel (KMP) (Rs. in lakhs)	540.43
Revenue (Rs. in lakhs)	127159.80
Remuneration of KMPs (as % of revenue)	0.04
Profit before Tax (PBT) (Rs. in lakhs)	2891.56
Remuneration of KMP (as % of PBT)	18.69

- g Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2016	March 31, 2015	% Change
Market Capitalisation (Rs.in crores)	526.136	358.671	47.13
Price Earnings Ratio	27.85	-	-

- h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer

Market price as on 31st March, 2016 (face value Rs.2 per share)	Rs. 23.95
Price at which the Rights Issue was made in 1988 (face value Rs. 10 per share)	Rs. 25.00
% increase of Market price over the price at which the above Rights issue was made	1437%*

* Adjustments made for (i) Bonus shares issued @ 1:1 in 1988 & (ii) Bonus shares issued @ 3:5 in 1991 & (iii) subdivision of shares from Rs. 10 to Rs.2 in the year 2000.

- i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in remuneration is 7% for employees other than Managerial Personnel and there was no increase in the Managerial remuneration.

- j. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

Name	Designation	Remuneration (Rs. in lakhs)	% of increase in Remuneration	PAT (Rs. in lakhs)	% increase in PAT
Mr. P.K. Jain	Chairman & Managing Director	133.63	-	1854.60	313%
Mr. Bakul Jain	Managing Director	133.63	-	1854.60	313%
Mr. Mudit Jain	Managing Director	133.63	-	1854.60	313%
Mr. Vivek Jain	Managing Director	133.63	-	1854.60	313%
Mr. Vimal Jain	Chief Financial Officer	54.54	6.85	1854.60	313%
Ms. Jigna Karnick	Company Secretary	10.12	11	1854.60	313%

- k. The key parameters for any variable component of remuneration availed by the Directors:

Each of the Managing Director 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 Sections 197 of the Companies Act, 2013.

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.

- l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year. :

There are no employees of the Company who receive remuneration in excess of the highest paid Director of the Company.

- m. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirm that remuneration is as per the remuneration policy of the Company.

10. Statutory Auditors

M/s. V. Sankar Aiyar & Co., Chartered Accountants, Statutory Auditors of the Company will hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment as per Section 139 of the Companies Act, 2013.

M/s. V. Sankar Aiyar & Co. have expressed their willingness to get re-appointed as the Statutory Auditors of the company and has furnished a certificate of their eligibility and consent under Section 141 of the Companies Act, 2013 and the Rules framed there under. In terms of the Listing Agreement, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI and have submitted copy of the certificate dated 4th May, 2016.

The members are requested to appoint M/s. V. Sankar Aiyar & Co., Chartered Accountants as Auditors from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting in 2017 on the terms and conditions as will be stated in the notice convening the forthcoming Annual General Meeting.

The Auditors' Report to the Shareholders for the year under review does not contain any qualification.

The Report given by the Statutory Auditors for the financial Statements for the year ended 31st March, 2016 read with explanatory notes thereon do not call for any explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

11. Cost Auditor and Cost Audit Report

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendments rules 2014 the Board of Directors on the recommendation of the Audit Committee appointed M/s. N.D. Birla & Co., Ahmedabad and M/s. R. Nanabhoy & Co., Mumbai for conducting cost audit of the Company's Soda Ash and Caustic Soda divisions respectively for the financial year ending 31st March 2016, as per following details

Sr. No	Names 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)

They have conducted Cost Audit for the financial year 2015-16 of the respective divisions and will be filing cost audit report with the Central Govt. The Remuneration payable to Cost auditors is required to be determined by the shareholders at the AGM. They have also been appointed to do the Cost audit of the said respective divisions for the year 2016-17.

12. Secretarial Auditor and Secretarial Audit Report.

M/s. S. K. Jain & Co., (Proprietor Dr. S. K. Jain) Practicing Company Secretary was appointed to conduct Secretarial Audit of the Company for financial year 2015-2016 as required under section 204 of the Companies Act, 2013 and the rules thereunder. The Secretarial Audit report for financial year 2015-2016 forms part of the annual report as **"Annexure B"** to the Boards Report. The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134 (3) of the Companies Act, 2013.

13. Conservation of Energy, Technology and Foreign Exchange.

Information on conservation of energy, technology absorption, foreign exchange earnings and out go, required to be given pursuant to provision of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is annexed here to marked **"Annexure C"** and forms part of this report.

14. Share Capital

During the year your company has allotted 61,86,750 equity shares of Rs.2 each at a premium of Rs.21 per share on 23/11/2015 to promoters group & business associates including relatives of business associates on preferential basis. Consequently the equity share capital has increased from Rs. 42,69,89,314/-divided into 21,34,94,657 equity shares of Rs.2 each to Rs. 43,93,62,814/- divided into 21,96,81,407 equity shares of Rs. 2 each.

15. Extract of the Annual Return

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2016 made under the provisions of Section 92 (3) of the Act in Form MGT-9 is annexed herewith as **"Annexure D"**.

16. Public Deposits

The Company has not accepted / renewed any amount falling within the purview of provisions of Section 73 of the Companies Act. 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

17. Committees of the Board.

The Board has constituted the following mandatory committees viz., Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Internal Compliance Committee. The terms of reference of these committees are as required under the provisions of the respective Acts / Listing Agreement with Stock Exchanges SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 as determined by the Board. Meeting of each of these committees are convened by the respective Chairman of the Committees and minutes of the meetings of these committees are placed at the Board Meetings. The details of these committees are stated in this Report / Annexures to this Report.

17.1 Corporate Social Responsibility (CSR) Committee.

Pursuant to Section 135 of the Companies Act, 2013 and the relevant rules, the Board has constituted the Corporate Social Responsibility (CSR) Committee under the Chairmanship of the Board Chairman, Mr. P.K. Jain. The other members of the Committee are Mr. Bakul Jain, Managing Director and Mr. Sodhsal Singh Dev of Dhrangadhra, Independent Director. A detailed CSR Policy has also been framed which is placed on the Company's website. Other details for the CSR activities as required under Section 135 of the Companies Act, 2013 are given in the CSR Report at “Annexure E”.

17.2 Internal Compliance Committee.

In terms of the provisions of the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013, the Company has formed Internal Compliance Committees at its Head Office at Mumbai, and its Works at Sahapuram, Tamilnadu and Dhrangadhra, Gujarat. The Board also has approved a policy for prevention of Sexual Harassment at Work place. There were no Complaints filed till date under the said policy.

17.3 Risk Management Committee

The Board of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Risk Management Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

17.4 Audit Committee.

Audit Committee Comprises 3 Independent Directors and 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. They possess sound knowledge on Accounts, Audit, Finance, Taxation, Internal Controls etc. The details of the Composition of the Audit Committee are given in the Corporate Governance Report.

The Company Secretary of the Company acts as Secretary of the Committee.

During the year, there are no instances where the Board had not accepted the recommendation of Audit Committee.

17.5 Nomination & Remuneration Committee & Policy

The Company has duly constituted Nomination & Remuneration Committee to align with the requirements prescribed under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

The details of the Composition of the Nomination & Remuneration Committee are given in the Corporate Governance Report.

The Board has framed a policy for selection and appointment of Directors, Senior Management and their Remuneration. The policy provides for determining qualification, positive attributes, and independence of a Director

18. Details in respect of adequacy of internal financial controls with reference to the financial statements.

A strong internal control culture is pervasive in the company. The Company has implemented a robust and comprehensive internal control system for all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources. The internal audit department continuously monitors efficiency of internal controls with objective of providing to the audit committee and the board of directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organizations risk management, controls and governance processes.

Your Company operates in SAP, ERP environment and has its accounting records stored in an electronic form and backed up periodically. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account. Your Company has automated processes to ensure accurate and timely updation of various master data in the underlying ERP system.



19. Related Party Transactions:

All the related party transactions are entered on arms length basis and are in compliance with the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

All related party transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the audit committee on a quarterly basis specifying the nature value and terms and conditions of the transactions.

The Related Party Transactions Policy as approved by the Board is uploaded at the Company's website .

The details of transaction with Related Party are provided in the accompanying financial statements.

20. Particulars of loans, guarantees and investments.

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

21. Vigil Mechanism / Whistle Blower Policy

In terms of the provisions of Section 177 (9) & (10) of the Companies Act, 2013 company has established a Vigil Mechanism for Directors and employees to report genuine concerns about unethical behavior or suspected fraud or violation of the Company's Code of Conduct by Directors / employees. The Audit Committee oversees the Vigil Mechanism. Vigil Mechanism has been disclosed by the Company on its website.

22. Corporate Governance Report

The report on Corporate Governance is annexed to this report as "Annexure F".

23. Directors' Responsibility Statement

In terms of section 134 (3) (c) of the Companies Act, 2013, your Directors have:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments 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 and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for 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;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. Significant/Material Orders passed by the Regulators

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

25. Insurance

All the properties of the Company are adequately insured.

26. Industrial Relations:

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

27. Acknowledgements

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

For and on behalf of the Board of Directors

P.K. Jain

Chairman & Managing Director

Place: Mumbai

Date: 25th May, 2016

ANNEXURE TO THE DIRECTOR'S REPORT

Information as per Section 197 (12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director's Report

Sr. No.	Name	Designation	Remuneration (Rupees)	Qualification	Experience (Years)	Date of commencement of Employment	Age (Years)	Last employment held.
	Employed for whole of the year							
1	Shri Pramod Kumar Jain	Chairman & Managing Director	13,682,460	B.A. (Hon.) Economics	57	01.04.1969	78	Sahu Brothers Pvt. Ltd.
2	Shri Bakul Jain	Managing Director	13,682,460	B.Com., MBA	32	01.09.1984	61	-
3	Shri Vivek Jain	Managing Director	13,682,460	B. Com, MBA	32	01.09.1984	57	-
4	Shri Mudit Jain	Managing Director	13,682,460	B. Com, MBA	26	01.04.1989	52	-
5	Shri Ashish Jain	Sr. President	12,590,718	B. Com, MBA	21	03.08.1995	45	-
6	Mrs. Paulomi Jain	President	12,590,766	B. Com	20	01.11.1996	53	-
7	Mrs. Malti Bhindi	President	12,200,765	B.A. (Economics)	16	01.10.2012	57	-
8	Mr. Saatvik Jain	President	12,078,298	B.S.B.A, (U.S.A)	8	01.03.2014	30	Cedar Management Consulting Institute.
9	Shri Amitabh Gupta	Sr. Vice President - Marketing	8,568,490	M.Sc.	44	15.07.1971	64	-
10	S Ganapathy	Sr. Vice President - Marketing	6,055,790	M.Sc.	30	02.07.1990	56	Colorchem
11	Dr. B.R. Singhvi	Executive Vice President-Works	6,092,070	M.Sc. (phd)	43	01.03.2005	66	Saurashtra Chemicals

Employed for part of the year

1	D.Mohan Jeyakumar	Dy.Manager-IImenite	10,68,008	B.Sc (Chemistry)	30	10-May-1986	59	Nil
2	S.Rajasankar	Manager - Safety & Fire	8,87,781	B.TECH (CHEM), DIS.,	22	3-Aug-1994	47	Graduate Engineer Trainee in TCPL, Kovilur
3	C.Chandrasekaran	Sr.GM-Finance	17,98,620	B.Com., A.C.A., .	33	9-Oct-2008	59	TAC Ltd, Tuticorin as Head-Services.
4	P.Bathrabagu	GM-PVC	22,37,666	B.Sc.(TECH)	33	2-Jul-1983	59	Nil

Notes :

1. In case of Employees employed for the whole year the gross remuneration shown above (subject to tax) comprise salary, Perquisites, Company's contribution to Provident Fund, Superannuation Fund and Gratuity Fund.
2. In case of employees employed for part of the year, the gross remuneration shown above (subject to tax) comprise salary, perquisites, Company's Contribution to Provident Fund, gratuity paid and leave encashment.
3. The nature of employment of the Managing Directors, SR. President and Presidents are contractual.
4. The Following are related to each other

Mr. P.K. Jain and Mr. Ashish Jain. Mr. Bakul Jain & Mrs. Paulomi Jain. Mr. Mudit Jain and Ms. Malti Bhindi. Mr. Vivek Jain and Mr. Saatvik Jain

**ANNEXURE TO THE DIRECTOR'S REPORT****FORM NO. MR - 3****Secretarial Audit Report**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

To,

The Members,

DCW Limited

Nirmal, 3rd Floor,

Nariman Point, Mumbai - 400021

Dear Sir,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **DCW Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **DCW Limited** ("the Company") as given in Annexure I, for the period 1st April, 2015 to 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 and the Rules made thereunder for specified Sections notified and came into effect from 12th September, 2013 and Sections and Rules notified and came into effect from 1st April, 2014;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings were not attracted to the Company under the financial year under review.
- v. The following Regulations and Guidelines prescribed under the SEBI Act, 1992 are as follows:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 till 14th May, 2015 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 from 15th May, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, presently known as SEBI (Share Based Employee Benefits) Regulations, 2014 (Not Applicable since the Company has not issued any Employee Stock Option Scheme Securities during the financial year under review);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable since the Company has not issued any Debt Securities during the financial year under review);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted / propose to delist its Equity Shares from any Stock Exchange during the financial year under review); and
 - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (Not applicable as the Company has not brought back / propose to buy-back any of its securities during the financial year under review);

Other laws applicable specifically to the Company namely:

- i. Explosive Act, 1884;
- ii. Hazardous Waste (Management and Handling) Rules, 1989;
- iii. Gas Cylinder Act, 1981.
- iv. Bureau of Indian Standards Act, 1986

The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis. The list of major head/groups of Acts, Laws and Regulations as generally applicable to the Company is given in Annexure II.

In case of Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act, Excise & Custom Acts I have relied on the Reports given by the Statutory Auditors of the Company.

I have also examined Compliance with the applicable clauses of the following:

- i. Secretarial Standards SS-1 and SS-2 issued and notified w.e.f. 1st July, 2015 by the Institute of Company Secretaries of India have been complied by the Company during the financial year under review;
- ii. The Listing Agreement entered into by the Company with Stock Exchange(s) and the new Listing Agreement entered with BSE Limited and National Stock Exchange of India Limited under Regulation 109 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 on 29th February, 2016.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Director and Independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and insure compliances with the applicable Laws, Rules, Regulations and Guidelines

I have also examined the books, papers and returns filed and other records maintained by M/s DCW Limited for the Financial Year ended on 31st March, 2016 according to the provisions of various Labour Laws and other Laws applicable, including the Rules made thereunder, and amended from time to time, to the Company, as informed by the Company, details of which are mentioned in 'Annexure II':

In case of Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act, Excise & Custom Acts I have relied on the Reports given by the Statutory Auditors of the Company.

I further report that during the audit period, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards etc. referred to above.

1. The Preferential Allotment Committee Constituted by Board of Directors of the Companies in its Meeting held on 23/11/2015 allotted 48,80,750 (Forty Eight Lacs Eighty Thousand Seven Hundred Fifty) Equity Shares of Rupees 2/- each at issue price of Rs. 23 per shares (including premium of Rs. 21/- per shares) aggregating to Rs. 112257250/- (Rupees Eleven Crore Twenty Two Lacs Fifty Seven Thousand Two Hundred Fifty Only) on Preferential Basis to the Promoter Group of the Company and its Business Associates including relatives of Business Associates. The said Committee also issued 26,12,000 warrants convertible in one or more tranches into 26,12,000 Equity shares of Rs. 2/- each at a price of Rs. 23/- (including Premium of Rs. 21 per Equity Shares) to its Promoters Group. The Company has duly complied with provision of Section 62 read with Section 42 and all other applicable provision of the Companies Act 2013 read with Companies (Prospectus and Allotment of Securities) Rules 2014, Companies (Share Capital and Debentures) Rule 2014, The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation 2009 and Listing Agreement enter into between the Company and Stock Exchanges.
2. The Preferential Allotment Committee in its Meeting held on 23/11/2015 allotted 13,06,000 Equity Shares of Rs. 2/- each at a price of Rs. 23/- per shares (including premium of Rs. 21/- per shares) to Shri Mudit Jain (6,53,000 Shares) and Shri P. K Jain, (6,53,000 Shares) upon conversion of 1306000 Warrants of Rs. 23/- each held by Shri Mudit Jain (6,53,000 Warrants) and Shri P. K. Jain (6,53,000 Warrants)

Place: Mumbai

Date: 25/05/2016

For S. K. Jain & Co.

(Dr. S.K.Jain)

Proprietor

Company Secretary

FCS: 1473

COP: 3076

This Report should be read with my Letter of even date which is annexed as **Annexure – III** and forms the integral part of this Report.

ANNEXURE - I

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers and agents, I report that the Company has, during the financial year under review, complied with the provisions of the Acts, the Rules made thereunder the Memorandum & Articles of Association of the Company with regard to:-

1. Minutes of the Meetings of the Board of Directors, Committee meetings held during the Financial Year under Report;
2. Minutes of General Body Meetings held during the Financial Year under report;
3. Maintenance of various Statutory Registers and Documents and making necessary entries therein;
4. Notice and Agenda papers submitted to all the Directors for the Board Meetings;
5. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;
6. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under Report;
7. Disclosure of Interest and Concerns in contracts and arrangement, shareholdings and Directorships in other Companies and interest in other entities by Directors;
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report;
9. Appointment and remuneration of Internal and Statutory Auditor;
10. Closure of Register of Members/record date for dividends;
11. Declaration and payment of dividend;

ANNEXURE - II

Registered Office : M/S DCW Limited, Dhrangadhra, Gujarat – 363 315

Corporate Office : M/S DCW Limited, Nirmal, 3rd Floor, Nariman Point, Mumbai – 400 021

Plants : 1. **M/S Dharangadhara Chemical Works Limited (M/s DCW Ltd.,)**

Near Railway Station, Dhrangadhra, Surendranagar District – 363 310

2. **M/S Dharangadhara Chemical Works Limited (M/s DCW Ltd.,)**

Sahupuram, Arumuganeri Post, Thoothukudi District - 628 229



List of applicable laws to the Company

Under M/S DCW Ltd., Near Railway Station, Dhrangadhra, Surendranagar District – 363 310

1. Factories Act, 1948 read with The Gujarat Factories Rules, 1963;
2. Industrial Dispute Act, 1947 read with Gujarat Rules, 1966;
3. Payment of Bonus Act, 1956;
4. Payment of Gratuity Act, 1972;
5. Payment of Wages Act, 1938;
6. The Minimum Wages Act, 1948;
7. Industrial Employment Standing Orders Act, 1946;
8. Professional Tax Act, 1975;
9. Employees' Provident Fund Act, 1952;
10. The Contract Labour Act, 1970;
11. The Employment Exchange Act, 1959;
12. The Employees' State Insurance Act, 1948;
13. Apprentices Act, 1961;
14. Maternity Benefits Act, 1961;
15. Equal Remuneration Act, 1976;
16. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
17. Gujarat Welfare Fund Act, 1953;
18. Air (Prevention and Control of Pollution) Act, 1981;
19. Air (Prevention and Control of Pollution) (Union Territories) Rules, 1983;
20. Water (Prevention and Control of Pollution) Act, 1974;
21. Water (Prevention and Control of Pollution) Cess Act, 1977;
22. Environmental (Protection) Rules, 1986;
23. Standards of Weights and Measures Act, 1976;
24. Standards of Weights and Measures (Enforcement) Act, 1985;
25. Standards of Weights and Measures (Packaged Commodities) Rules, 1977;
26. Motor Vehicle Act, 1988;

Under M/S DCW Ltd., Sahupuram, Arumuganeri Post, Thoothukudi District - 628 229

1. Factories Act, 1948 read with The Tamil Nadu Factories Rules, 1950;
2. Industrial Dispute Act, 1947 read with Tamil Nadu Industrial Disputes Rules, 1958;
3. Payment of Bonus Act, 1956;
4. Payment of Gratuity Act, 1972;
5. Industrial Employment Standing Orders Act, 1946;
6. Professional Tax Act, 1975;
7. Employees' Provident Fund Act, 1952;
8. The Contract Labour Act, 1970;
9. The Employment Exchange Act, 1959;
10. The Employees' State Insurance Act, 1948;
11. Apprentices Act, 1961;
12. Tamil Nadu Welfare Fund Act, 1972;
13. Air (Prevention and Control of Pollution) Act, 1981;
14. Air (Prevention and Control of Pollution) (Union Territories) Rules, 1983;
15. Environmental (Protection) Rules, 1986;
16. Standards of Weights and Measures Act, 1976;
17. Standards of Weights and Measures (Enforcement) Act, 1985;
18. Motor Vehicle Act, 1988;

Annexure-III

To,
The Members
DCW LIMITED

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.



ANNEXURE TO THE DIRECTORS' REPORT

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

A) CONSERVATION OF ENERGY:

(i) THE STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY

SAHUPURAM

CS Plant :

Recoating of 32 Nos. of selective Anodes has been done to reduce power consumption. Various in house efforts like protective coating of pump casing and Impellers, optimizing running of various Equipments, has resulted in reduction of absolute utility energy consumption by about 300 kwhr/Day in Chloralkali plant.

By implementation of various Energy saving schemes for the first Cycle of PAT (Perform, Achieve, Trade) for the assessment year 2015, we have achieved 512 E-Certificates by reaching our Specific Energy Consumption of Caustic Soda as 0.280 MTOE / MT as against the Target value of 0.288 MTOE/ MT of Caustic Soda fixed by Government of India.

Synthetic Rutile Plant :

Energy audit for pumps & motors undertaken during the year under report.

Installation of VFDs for few process equipments and renewal of damaged hot insulation for steam lines let to considerable energy savings.

PVC plant:

Commissioning of new fluid bed dryer and replacement of old inefficient vacuum pumps & vapour Absorption machines are few noteworthy energy conservation measures.

Cogen Power Plant:

VFD installed for 2x25 MW STGs Condensate Extraction Pumps - 55 KW each. Energy Conservation observed 400 KWhr per day.

Capacity enhancement of Belt conveyors - 3 Nos. for 56 TPH Process Boiler from existing capacity of 60 TPH to 100 TPH.

Data Acquiring System (DAS) installed for measuring and monitoring of major equipments of 2 x 25 MW STG unit Auxiliary drives.

Installed Auto-daylight control for switching OFF/ON of Plant lighting system towards energy conservation.

Installation of supermizers & Variable Frequency drives.

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 21.66 Lacs units. Energy conservation on account of VFDs is about 16.41 Lacs units.

DHRANGADHRA

STEAM

INSTALLATION OF CENTRIFUGE TO REDUCE MOISTURE IN CRUDE BICARBONATE:

soda lye	2014-15	2015-16
Steam consumption in Mt	3.497	3.432

Steam Saving of 20 MT/DAY due to effective Steam/power balance, improved distiller performance & lower consumption at chiller and deaerator at boiler



POWER SAVING WITH VFD DRIVES :

Power saving of 120 KW due to installation of VFD drive in ID FAN of AFBC Boiler

Realised power saving of 20 KW due to installation of VFD drive in FD fan of AFBC boiler.

CONSERVATION IN LIGHTING AREA :

50 Nos. Light fittings renewed with Metal halides replacing mercury vapour lamps resulted in

Saving in Power of 37 KWH per day.

II) THE STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCE OF ENERGY:

The alternate source of energy like Solar Energy is used in place of Conventional Electrical Energy for illuminating the Administration Office area by installation of Solar PV Cells with an investment of Rs.1.5 lakhs.

Similarly the direct harvesting of Solar Energy is implemented by installation of Solo Tube in Technical Office area (Electrical office and ROSE cell office) with an investment of Rs.2.10 lakhs.

III) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS;

An investment of Rs.40.61 lakhs were made for energy conservation which includes the implementation of major Energy Conservation suggestions like Anode Recoating in Membrane Cells of Caustic Plant..

B) TECHNOLOGY ABSORPTION:

I THE EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION AND BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION CHLOR ALKALI PLANT

1. A novel multiple fuel burner (Furnace oil / hydrogen / producer gas) has been successfully commissioned in Fusion Plant.
2. Implementation of Leak Detection and repair Mechanism for Hazardous applications (like Hydrogen and Chlorine) are few of noteworthy activities on safety aspects.

SYNTHETIC RUTILE

1. With in-house R & D efforts, charcoal was substituted by thermal coal for use in roasters.
2. System to burn coal tar (residue generated in Producer Gas Plant) alongwith furnace oil was designed and installed.
3. Possibilities to remove silica impurities were studied. Pilot scale trials using rare earth magnetic separator have indicated encouraging results.

PVC

1. During the year 2015-16, Lower K PVC resin, a special PVC grade, campaigning was carried out in all the reactors on several occasions. The annual Low k resin production 15047.251 MT, which crossed the 15 KT benchmark 1st time is the highest ever achieved in a year.
2. With in-house process optimization new FBD production increased to 225TPD.
3. In reactor # 15, in which complete automation, detailed engineering activities are under progress.

CPVC PLANT

The Company is setting up a 10000 TPA of CPVC Resin Plant & 12000 TPA of CPVC Compound resin plant at Sahupuram with the technical collaboration with M/s. Arkema, France, one of the pioneers in the field of CPVC manufacturing. This plant of DCW Ltd. will be the first plant in India to manufacture both CPVC Resin & Compound. At present CPVC is entirely imported by pipe manufactureres in India. The project is expected to go on stream shortly.

iii) INFORMATION REGARDING IMPORTED TECHNOLOGY.

(imported during the last 3 years (from the beginning of the financial year)

- a. Technology imported : Synthetic Red Iron Oxide Technology from Rockwood Italia & CPVC technology from M/s. Arkema, France.
- b. Year of Import : 2011-12 & 2012-13 respectively.
- c. Has the technology been fully absorbed : Synthetic Red Iron Oxide Technology - yes
CPVC technology - in progress.

iv) Expenditure on Research & Development :

- a. Capital : Rs. Nil
- b. Recurring : Rs. 97.50 lacs
- c. Total Research & Development Expenditure as a percentage of total turnover (Net of Excise) 0.02%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars regarding foreign exchange earnings and outgo appear in schedule 6 forming part of Profit and Loss Account.

**Extract of Annual Return**

as on the financial year ended on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L24110GJ1939PLC000748
ii.	Registration Date	28th January, 1939
iii.	Name of the Company	DCW Limited
iv.	Category/Sub-Category of the Company	Inorganic / Petro Chemicals
v.	Address of the Registered Office and Contact Details	Dhrangadhara - 363 315, Gujarat Tel: (02754) - 282560 E-mail : legal@dcwltd.com
vi.	Whether listed Company (Yes/No)	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Limited, E/2&3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai - 400072, Tel.:022 - 28470652, 404 30200, 28470653, Fax No. : 28475207. E-mail : investor@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY All the business activities contributing

All the business activities contributing 10% or more of the total turnover of the company shall be stated :

Sl.No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Caustic Soda	20122	37.66
2.	Soda Ash	20122	15.38
3.	PVC Resin	24134	45.4

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	DCW Pigments Limited 358, Annasalai Thousand Lights, Chennai - 600006 Tamil Nadu	U24117TN2007PLC062025	Subsidiary	100	2(87)

I SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK-UP AS PERCENTAGE OF TOTAL EQUITY)
I) Category - wise share holding

Category of Shareholders	No. of shares held at the beginning of the year 01.04.2015				No. of shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	47130784	0	47130784	22.08	51372370	0	51372370	23.38	1.31
(b) Central Govt.	0	0	0	0	0	0	0	0.00	0.00
(c) State Govt(s)	0	0	0	0	0	0	0	0.00	0.00
(d) Bodies Corp.	54806190	0	54806190	25.67	56236740	0	56236740	25.60	(0.07)
(e) Banks/FI	0	0	0	0	0	0	0	0.00	0.00
(f) Any other	0	0	0	0	0	0	0	0.00	0.00
Sub-total (A)(1):-	101936974	0	101936974	47.75	107609110	0	107609110	48.98	1.24
(2) Foreign						0		0.00	0.00
(a) NRIs Individual	0	0	0	0	0	0	0	0.00	0.00
(b) Other Individual	0	0	0	0	0	0	0	0.00	0.00
(c) Bodies Corp.	0	0	0	0	0	0	0	0.00	0.00
(d) Banks/FI	0	0	0	0	0	0	0	0.00	0.00
(e) Any Other.....	0	0	0	0	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0	0	0	0	0.00	0.00
Total Shareholding of Promoter (A) =		0				0		0.00	0.00
(A)(1) + (A)(2)	101936974	0	101936974	47.75	107609110	0	107609110	48.98	1.24
B. Public shareholding									
1. Institutions									
(a) Mutual Funds	10755	7950	18705	0.01	10755	10500	21255	0.01	0.00
(b) Banks/FI	583702	21540	605242	0.28	497833	18990	516823	0.24	(0.05)
(c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	8366415	0	8366415	3.92	6679665	0	6679665	3.04	(0.88)
(g) FIs	0	0	0	0.00	407435	0	407435	0.19	0.19
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others (specify)		0		0.00		0		0.00	0.00
Foreign Portfolio Investor	15570377	0	15570377	7.29	14438898	0	14438898	6.57	(0.72)
Foreign Banks	0	42225	42225	0.02	0	42225	42225	0.02	(0.00)
Sub-total (B) (1):-	24531249	71715	24602964	11.52	22034586	71715	22106301	10.06	(1.46)

Category of Shareholders	No. of shares held at the beginning of the year 01.04.2015				No. of shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2. Non-Institutions									
(a) Bodies Corp.	11002939	71135	11074074	5.10	10847530	65375	10912905	4.97	(0.22)
(i) Indian		0		0.00		0		0.00	0.00
(ii) Overseas		0		0.00		0		0.00	0.00
(b) Individuals		0		0.00		0		0.00	0.00
(l) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	48746930	3978896	52725826	24.70	46661981	4775196	51437177	23.41	(1.28)
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	12690831	98250	12789081	5.99	16292022	538250	16830272	7.66	1.67
(c) Others (specify)	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00
Clearing Member	535056	0.00	535056	0.25	1912360	0.00	1912360	0.87	0.62
NRI	1316414	24450	1340864	0.63	1268222	22210	1290432	0.59	(0.04)
OCBs	5760218	0	5760218	2.70	5753250	0	5753250	2.62	(0.08)
Trust	20850	0	20850	0.01	20850	0	20850	0.01	(0.00)
Sub-total (B) (2):-	80073238	4172731	84245969	39.46	82756215	5401031	88157246	40.13	0.67
Total Public shareholding		0		0.00		0		0.00	0.00
(B) = (B) (1) + (B)(2)	104604487	4244446	108848933	50.98	104790801	5472746	110263547	50.19	(0.79)
C. Shares held by Custodian for GDRs & ADRs.	2708750	0	2708750	1.27	1808750	0	1808750	0.82	(0.45)
Grand Total (A + B + C)	209250211	4244446	213494657	100.00	214208661	5472746	219681407	100.00	0.00

ii Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01.04.2015				Share Holding at the end of the year 31.03.2016				% Change in Share holding during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
1	SAHU BROTHERS PRIVATE LIMITED	51259860	0	51259860	24.01	52459860	0	52459860	23.88	-0.13
2	VANDANA JAIN	8923706	0	8923706	4.18	9467206	0	9467206	4.31	0.13
3	VIVEK JAIN	6426531	0	6426531	3.01	6643931	0	6643931	3.02	0.01
4	USHA P JAIN	4208601	0	4208601	1.97	4358222	0	4358222	1.98	0.01
5	ASHISH JAIN	3866068	0	3866068	1.81	3866068	0	3866068	1.76	-0.05
6	MUDIT JAIN	3148498	0	3148498	1.47	3801498	0	3801498	1.73	0.26
7	PRAMOD KUMAR JAIN	6054803	0	6054803	2.84	7971968	0	7971968	3.63	0.79
8	DURGAVATI JAIN	3241991	0	3241991	1.52	3241991	0	3241991	1.48	-0.04
10	PREMCHAND JAIN	1920540	0	1920540	0.90	1920540	0	1920540	0.87	-0.03
11	NAMITA P JAIN	1361945	0	1361945	0.64	1361945	0	1361945	0.62	-0.02
13	M/S DHRANGADHRA TRADING CO PVT LTD	1158750	0	1158750	0.54	1280500	0	1280500	0.58	0.04
14	SAATVIK JAIN	1400618	0	1400618	0.66	1618018	0	1618018	0.74	0.08
15	VARSHA JAIN	1144580	0	1144580	0.54	1144580	0	1144580	0.52	-0.02
16	CRESCENT HOLDINGS AND ENTERPRISES PVT LTD	1137000	0	1137000	0.53	1137000	0	1137000	0.52	-0.01
18	SAHU CYLINDERS & UDYOG PVT LTD	1103250	0	1103250	0.52	1103250	0	1103250	0.50	-0.01
19	BAKUL JAIN	1896292	0	1896292	0.89	2439792	0	2439792	1.11	0.22
20	SONALIKA JAIN	871941	0	871941	0.41	871941	0	871941	0.40	-0.01
22	MEETA JAIN	778720	0	778720	0.36	778720	0	778720	0.35	-0.01
24	BHARATI JAIN	620470	0	620470	0.29	620470	0	620470	0.28	-0.01
25	PAULOMI BAKUL JAIN	480085	0	480085	0.22	480085	0	480085	0.22	-0.01
26	NEERA JAIN	306481	0	306481	0.14	306481	0	306481	0.14	0.00
29	NITISH JAIN	221568	0	221568	0.10	221568	0	221568	0.10	0.00
31	SATYAWATI GIANCHAND JAIN	109000	0	109000	0.05	109000	0	109000	0.05	0.00
33	FLORIDA HOLDINGS AND TRADING P. LTD	76750	0	76750	0.04	185450	0	185450	0.08	0.05
34	RIMA SAATVIK JAIN	59511	0	59511	0.03	59511	0	59511	0.03	0.00
35	MALTI BHINDI	50000	0	50000	0.02	50000	0	50000	0.02	0.00
36	SAMARTH JAIN	34000	0	34000	0.02	34000	0	34000	0.02	0.00
37	KALPATARU BOTANICAL GARDENS PVT LTD	22500	0	22500	0.01	22500	0	22500	0.01	0.00
39	CASHCO HOLDINGS PVT LTD	17750	0	17750	0.01	17750	0	17750	0.01	0.00
40	B J HOLDINGS P. LTD.	16000	0	16000	0.01	16000	0	16000	0.01	0.00
41	D P B HOLDINGS PRIVATE LIMITED	13500	0	13500	0.01	13500	0	13500	0.01	0.00
42	SHIVANTIKA JAIN	4835	0	4835	0.00	4835	0	4835	0.00	0.00
43	CANVAS SHOE CO. (GOA)PVT LTD	830	0	830	0.00	830	0	830	0.00	0.00
44	VIKRANT HOLDINGS AND TRADING PVT LTD	0	0	0	0.00	100	0	100	0.00	0.00
		101936974	0	101936974	47.75	107609110		107609110	48.98	1.24

(iii) Change in Promoters' Shareholding (please specify, if there is no change)								
Sl. No.	Name of the Promoter	At the beginning of the year date wise Increase/ Decrease in Promoters share holding during the year specifying the reasons for increase/ decrease (e.g.allotment / transfer / bonus / sweat equity etc. At the end of the year					Cumulative Shareholding during the year	
		Beginning of the year	% of total shares of the Company	Increase/ Decrease	Date	Reason	No. of shares	% of total shares of the Company
1	Ms. Vandana Jain	8,923,706	4.25	543,500	23.11.2015	Allotment of preferential issue	9467206	4.31
2	Shri P. K. Jain	6,054,803	2.89	2,70,000 1,25,465 3,25,200 5,43,500 6,53,000	09.04.2015 10.04.2015 14.04.2015 23.11.2015 23.11.2015	Purchase Purchase Purchase Preferential issue Preferential issue	7,971,968	3.63
3	Shri Vivek Jain	6,426,531	3.06	217,400	23.11.2015	Preferential issue	6,643,931	3.02
4	Shri. Mudit Jain	2,500,498	1.19	653,000	23.11.2015	Preferential issue	3,801,498	1.73
5	Sahu Brother Private Limited	51,259,860	24.43	1,200,000	23.11.2015	Preferential issue	52,459,860	23.88
6	Bakul Jain	1,896,292	0.90	543,500	23.11.2015	Preferential issue	2,439,792	1.14
7	Saatvik Jain	1,400,618	0.67	217,400	23.11.2015	Preferential issue	1,618,018	0.76
8	Dhrangadhra Trading Co. Pvt. Ltd.	1,158,750	0.55	121,750	23.11.2015	Preferential issue	1,280,500	0.60
9	Florida Holdings & Trading Pvt. Ltd.	76,750	0.04	108,700	23.11.2015	Preferential issue	185,450	0.90
10	Vikrant Holdings and Trading Pvt. Ltd.	0	0.00	100	03.06.2016	Purchase	100	0.00
11	Smt. Usha P. Jain	4,208,601	1.97	24,100 125,521	09.04.2015 10.04.2015	Purchase Purchase	4,358,222	1.98

***(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name	Shareholding at the beginning of the year 01-04-2015		Cumulative Shareholding end of the year 31-03-2016	
		No. of share	% of total shares of the Company	No. of share	% of total shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA	8,366,415	3.99	6,679,665	3.04
2	QUINCY OVERSEAS LIMITED	5,753,250	2.74	5,753,250	2.62
3	THE BANK OF NEW YORK MELLON	2,708,750	1.29	1,808,750	0.82
4	RAJENDRA KUMAR HIRAWAT	1,149,445	0.55	1,594,829	0.73
5	SECURITIES HOLDINGS INDIA PRIVATE LIMITED	1,300,000	0.62	698,909	0.32
6	PREM LATA HIRAWAT	367,694	0.17	1,049,133	0.48
7	ANJANA BANGAD	1,000,000	0.62	969,946	0.44
8	FOUR DIMENSIONS SECURITIES (INDIA) LIMITED	5,00,000	0.18	810,000	0.37
9	RENIL RAJENDRA GOGRI	0	0.00	715,000	0.33
10	GNANESH VIRENDRA LAKHIA	252,782	0.24	674,093	0.37
11	MADHUSUDAN KELA	566,623	0.27	566,623	0.26
12	AXIS BANK LIMITED	415,210	0.20	253,281	0.12

*The shares of the Company are traded on a daily bases and hence the date wise increase/decrease in shareholding is not indicated.

(V) Shareholding of Directors and Key Managerial Personnel :								
Sl. No.	Name of the Director and Key Managerial Person	At the beginning of the year date wise Increase/ Decrease in Promoters share holding during the year specifying the reasons for increase/ decrease (e.g.allotment/ transfer / bonus / sweat equity etc. At the end of the year					Cumulative Shareholding during the year	
		No. of share at the beginning of the year	% of total shares of the Company	Increase/ Decrease	Date	Reason	No. of share	% of total shares of the Company
1	Mr. Pramod Kumar Jain (Chairman and Managing Director)	6054803	2.89	270,000 125,465 325,200 653,000 543,500	09.04.2015 10.04.2015 14.04.2015 23.11.2015 23.11.2015	Purchase Purchase Purchase Preferential issue preferential issue	7,971,968	3.63
2	Mr. Bakul Jain (Managing Director)	1896292	0.90	543,500	23.11.2015	Preferential issue	2,439,792	1.14
3	Mr. Mudit Jain (Managing Director)	3148498	1.50	653,000	23.11.2015	Preferential issue	3,801,498	1.73
4	Mr. Vivek Jain (Managing Director)	6426531	3.06	217,400	23.11.2015	Preferential issue	6,643,931	3.02
5	Mr. Sodhsal Singh Dev of Dhrangadhra (Non-executive and Independent Director)	55,000	0.00	0	0	0	55,000	0.03
6	Mr. D. Ganapathy (Non-executive and Independent Director)	0	0	0	0	0	0	0
7	Ms. Sujata Ragnekar (Non-executive and Independent Director)	0	0	0	0	0	0	0
8	Mr. Salil Kapoor (Non-executive and Independent Director)	0	0	0	0	0	0	0
9	Mr. Vimal Jain (Chief Financial Officer)	0	0	0	0	0	0	0
10	Mr. Jigna Karnick (Dy. Company Secretary)	0	0	0	0	0	0	0

V

INDEBTNESS

Indebtedness of the Company including interest outstanding/acrued but not due for payment				
	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i)Principal Amount	78,024.56	-----	-----	78,024.56
ii)Interest due but not paid		-----	-----	
iii)Interest accrued but not due	76.31		-----	76.31
Total (i + ii + iii)	78,300.87	-----	-----	78,300.87
Change in Indebtedness during the financial year				
. Addition	15,642.10	-----	-----	15,642.10
. Reduction	8,966.61	-----	-----	8,966.61
Net Change	6,675.49	-----	-----	
Indebtedness at the end of the financial year				
i)Principal Amount	84,705.74	-----	-----	84,705.74
ii)Interest due but not paid	-----	-----	-----	-----
iii)Interest accrued but not due	70.62	-----	-----	70.62
Total (i + ii + iii)	84,776.36	-----	-----	84,776.36

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Shri. Pramod Kumar Jain	Shri. Bakul Jain	Shri. Vivek Jain	Shri. Mudit Jain	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10521732	10521732	10521732	10521732	42086928
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	1517860	1517860	1517860	1517860	6071440
	(c) Profits in lieu of salary under section 17 (3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	12039592	12039592	12039592	12039592	48158368
	Ceiling as per the Act					

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri. Sodhsal Singh Dev of Dhrangadhra	Shri. D Ganapathy	Smt. Sujata Ranganekar	Shri. Salil Kapoor	
z						
1	Independent Directors					
	Fee for attending board committee meetings	1,00,000/-	1,00,000/-	75,000/-	45,000/-	3,20,000/-
	Commission	3,00,000/-	3,00,000/-	3,00,000/-	3,00,000/-	12,00,000/-
	Others, please specify					
	Total (1)	4,00,000/-	4,00,000/-	3,75,000/-	3,45,000/-	15,20,000/-
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B) = (1 + 2)	4,00,000/-	4,00,000/-	3,75,000/-	3,45,000/-	15,20,000/-
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		10,12,293/-	42,84,930/-	52,97,223/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			5,87,786/-	5,87,786/-
	(c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total		10,12,293/-	48,72,716/-	58,85,009/-

VII		PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES			
Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	made if any (give details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHE OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

ANNEXURE TO DIRECTOR'S REPORT

STATEMENT CONTAINING INFORMATION AS PER SECTION 135 READ WITH THE RULE 8 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) RULES, 2014 AND FORMING PART OF DIRECTORS' REPORT.

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>The Objectives of Company's CSR Policy are to demonstrate commitment to the common good through responsible business practices and good governance and to set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models. The projects the company has undertaken / proposes to undertake is mainly in eradicating hunger, poverty and malnutrition promoting preventive health care, promoting education including special education and employment enhancing vocation skills, ensuring environmental sustainability, ecology balance, agro forestry, conservation of natural resources. Ecology balances, protection of natural heritage, art and culture, measures of the benefit of the armed forces, training to promote rural sports etc.</p> <p>The Company's web link to the CSR policy and projects is http://www.dcwlimited.com/PDF/policy/policy.zip</p>
2.	The Composition of the CSR Committee	<p>1. Mr. P. K. Jain : Chairman and Managing Director & Chairman of CSR Committee</p> <p>2 Mr. Sodhsal Singh Dev of Dhrangadhra : Independent Director)</p> <p>3 Mr. Bakul Jain : Managing Director</p>
3	Average net profit of the company for last three financial years (Amount in crores)	71.25
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above (Amount in crores)	1.42
5.	Details of CSR spent during the financial year. (1) Total amount to be spent for the financial year.	1.42
	(2) Amount unspent , if any; (Amount in crores)	0.74

(3) Manner in which the amount spent during the financial year is detailed below :

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Provision of Food, promotion of preventive health care and sanitation	Eradicating, hunger, poverty and malnutrition, promoting preventive health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Govt. for the promotion of sanitation and making available safe drinking water	Projects and programs were undertaken in the areas around where the Company's manufacturing operations are being carried out i.e. in Sahupuram, Tuticorin District, Tamilnadu and at Dhrangadhra, Surendranagar District, Gujarat Sahupuram Dhrangadhra		2,31,735/- 5,65,928/-	2,31,735/- 5,65,928/-	Direct Direct
2	promoting "Education and "vocational skills" and "livelihood enhancement"	Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly and the differently abled and livelihood enhancement projects	Sahupuram Dhrangadhra		1,44,309/- 8,89,819/-	1,44,309/- 8,89,819/-	Direct Direct
3	Aid to Orphanage children home home.	Promotion Gender equality empowering women,	Sahupuram Dhrangadhra		1,45,301/- 10,100/-	1,45,301/- 10,100/-	Direct Direct

		setting-up homes and hostels for women and orphans; setting-up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.					
4	Environmental sustainability, ecology balance, animal welfare etc.	Ensuring environmental sustainability, ecology balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water. Including contribution to the Clean Ganga Fund set-up by the Central Govt. for rejuvenation of river Ganga.	Sahupuram Dhrangadhra		29,57,788/- 13,18,779/-	29,57,788/- 13,18,779/-	Direct Direct
5	"protection of old temples of historical importance	Protection of natural heritage, art and culture including restoration and buildings and sights of historical importance and works of art; setting public libraries; promotion and development of traditional arts and handicrafts.	-	-	-	-	-

6	Contribution towards armed forces	Measurers for the benefit of armed forces veterans, war widows and their dependents	Dhrangadhra		15,000/-	15,000/-	Direct
7	Donation of sports accessories	Training to promote rural sport, Nationally recognized sports para olympic sports. and olympic sports.	Sahupuram		1,65,000/-	1,65,000/-	Direct
8		Contribution to the Prime Minister's National Relief Fund or any other fund set-up by the Central Govt. for Socio Economic Development and Relief and Welfare of the Scheduled Castes, Scheduled Tribes, Other Backward Classes, Minorities and Women.	-	-	-	-	-
9		Contributions or Funds provided to technology incubators located within academic institutions which are approved by the Central Govt	-	-	-	-	-
10	Rural Development	Rural Development projects.	Sahupuram		3,59,770/-	3,59,770/-	Direct
11		Slum Area Development					
				TOTAL	68,03,529/-	68,03,529/-	

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Due to lower profits and heavy expenditures incurred for the ongoing projects of the Company, the Company could not meet the targeted CSR expenses. The Company has identified certain new CSR activities and the said projects have taken of and expenditures are being incurred for the same depending upon the progress of the projects.

7. In terms of para 7 of the Annexure '2' Cos. (Corporate Social Responsibility Policy) Rules 2014. the CSR Committee states that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the company.

Sd/-
P.K., Jain
Chairman & Managing Director
& Chairman of CSR Committee

Sd/-
Sodhsal Singh Dev of Dhrangadhra
Independent Director & Member of CSR Committee

ANNEXURE TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

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 follows:

Category of Directorship	Name of the Director	Attendance Particulars at the		Other Directorships	Other Committee	
		Board Meetings	Last AGM		Memberships	Chairman ships
Promoter/ Executive Directors	Shri Pramod Kumar Jain (Chairman and Managing Director) (DIN No. 00380458)	6	Yes	1	Nil	Nil
	Shri Bakul Jain (Managing Director) (DIN No. 00380256)	6	No	4	Nil	1
	Shri. Mudit Jain (Managing Director) (DIN No. 00647298)	5	No	1	Nil	Nil
	Shri Vivek Jain (Managing Director) (DIN No. 00502027)	6	No	1	Nil	Nil
Non Executive and Independent Directors	Shri Salil Kapoor (Din No. : 02256540)	4	No	Nil	Nil	Nil
	Shri Sodhsal Singh Dev of Dhrangadhra * (Din No. : 00682550)	6	Yes	Nil	Nil	Nil
	Ms Sujata Rangnekar (Din No. : 06425371)	4	No	Nil	Nil	Nil
	Shri D. Ganapathy (Din No. : 02707898)	6	Yes	Nil	Nil	Nil

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

** Excludes Directorship in Private Companies, Foreign Companies and Companies governed by section 8 of the Companies Act, 2013.

*** Only two Committees namely Audit Committees and Stakeholders Relationship Committee have been considered as per Regulation 26(1) (b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Shri P.K. Jain, Shri Bakul Jain, Shri Mudit Jain and Shri Vivek Jain are related to each other.

The Company placed before the Board all relevant information from time to time including information as specified in Part 'A' of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

• **No. of Board Meetings held during the year along with the dates of the Board Meeting:**

During the year 6 (Six) Board Meetings were held on:

23.05.2015, 24.07.2015, 14.08.2015, 10.11.2015, 12.02.2016 and 26.03.2016.

Committees.

The Board has constituted following committees :

3. Audit Committee

Terms of Reference :

The terms of reference of this Committee cover the matters as specified for Audit Committees under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. and also as per the provisions of Section 177 of the Companies Act, 2013

Composition, name of Members and Chairperson:

The Audit Committee comprises 3 Non-Executive 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 Sodhsal Singh Dev of Dhrangadhra	Ms.Sujata Rangnekar
23.05.2015	Yes	Yes	Yes
14.08.2015	Yes	Yes	Yes
10.11.2015	Yes	Yes	Yes
12.02.2016	Yes	Yes	No

4. 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 Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition, Name of Members and Chairperson:

Nomination and Remuneration Committee comprises 3 Non-Executive 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.

Meeting and Attendance during the year:

During the year one meeting was held and the attendance of the Members at that meeting was as follows:

Dates of Meetings	Ms. Sujata Rangnekar	Shri Sodhsal Singh Dev of Dhrangadhra	Shri. D. Ganapathy
26.03.2016	yes	yes	yes

• **Performance Evaluation Criteria for Independent Directors.**

The criteria for performance evaluation of the Independent Directors included aspects on contribution to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

• **Remuneration of Directors :**

The Non-Executive Directors are paid sittings fees for the meetings of the Board and its Committees attended by them. The Company also reimburses them the expenses incurred for travel and accommodation for attending the meetings of the Board/committees. 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 above there are no other pecuniary relationship or transactions between the Company and Non-Executive Directors.

Details of the remuneration paid to the Directors for the Financial year 2015-2016 is given below :

Directors	Salary (Rs.)	Benefits (Rs.)	Contri. to Provi. Fund & Other funds (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Shri Pramod Kumar Jain	105,21,732	-	2,840,868	-	-	1,33,62,600
Shri Bakul Jain	105,21,732	-	2,840,868	-	-	1,33,62,600
Shri Mudit Jain	105,21,732	-	2,840,868	-	-	1,33,62,600
Shri Vivek Jain	105,21,732	-	2,840,868	-	-	1,33,62,600
Shri Sodhsal Singh Dev of Dhrangadhra	----	-	----	----	100,000	100,000
Shri Salil Kappor	----	----	----	----	45,000	45,000
Ms. Sujata Rangnekar	----	----	----	----	75,000	75,000
Shri D. Ganapathy	----	----	----	----	1,00,000	1,00,000

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 Sections 197 of the Companies Act, 2013.

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.

5. Stakeholders Relationship committee:

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

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

There were 39 complaints received from the shareholders during the year.

All the Complaints were resolved satisfactorily.

There were no pending complaints as on 31.03.2016.

6. Independent Directors Meeting:

During the year under Review, the Independent Directors met on 26th March, 2016 in-India, to discuss:

- Evaluation of the Performance of the Board as a whole ;
- Evaluation of the Performance of the Non – Independent Executive Directors and the Board Chairman.

To assess the quality, quantity and timeliness of flow of Information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were Present at the Meeting.

7 Familiarisation programme for Independent Directors:

The Board Members are provided with necessary documents /Brochures and reports to enable them to familiarize with the Companies procedure and practices. Periodic Presentations are made at the Board and Board Committee Meetings, On Business and Performance updates of the Company, Business strategy and risk involved

- **Web link where details of familiarisation programmes imparted to independent directors is disclosed.**

http://www.dcwlimited.com/PDF/Corporate_Governance/Corporate_Governance.zip

8. CEO/ CFO Certification

Mr. P. K. Jain, Chairman & Managing Director and Mr. Vimal Jain Chief Financial Officer have certified to the Board in accordance with Regulation 17 (8) of SEBI (Listing Obligation and Disclosures) Regulations, 2015, pertaining to CEO / CFO certification for the financial year ended 31st March, 2016.

9. Prevention of Insider Trading Code:

The Company has adopted a Code of Conduct to Regulate, Monitor and report Trading by Insiders and Code of Practices and Procedures for fair Disclosures of Unpublished Price Sensitive Information in terms of Regulations 8 (1), 9(1) & 9(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

All the Directors, Employees at Senior Management Level and other Employees who could have access to Unpublished Price Sensitive Information of the Company are governed by this Code.

10. Risk Management:

A detailed review of Business Risk and the Company's Plan to mitigate them is presented to the Audit Committee and Board. The Board has been taking steps to mitigate foreseeable Business Risk. Business Risk evaluation and management is an ongoing and continuous process within the Company and regularly updated to the Audit Committee and Board.

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

Year	Location	Date	Time	No. of Special Resolutions Passed
2012-13	Dhrangadhra, Gujarat	12.09.2013	10.00 a.m.	1
2013-14	Dhrangadhra, Gujarat	13.08.2014	10.00 a.m.	13
2014-15	Dhrangadhra, Gujarat	27.08.2015	10.00 a.m.	1

- ii No Special Resolution has been passed last year through postal ballot.
- iii No Special Resolution is proposed to be conducted through postal ballot.

12. Means of Communication

Quarterly Results : The Company's quarterly results are published in 'Financial Express'/Business Standards' in all editions including the Gujarat Edison published from Ahmedabad. and also are displayed on its website (www.dcwlimited.com). Official news releases, if any, are also displayed on web site.

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

General Shareholders information

ANNUAL GENERAL MEETING:

Day & Date	:	Thursday 29th September, 2016
Time	:	10.00 A.M.
Venue	:	at the Registered Office (at Guest House No.2), Dhrangadhra, Gujarat - 363 315
Financial calendar	:	April 2015 - March 2016:
Date of Book closure	:	20th September, 2016 to 29th September, 2016. (both days inclusive).
Divident Payment Date	:	No dividend is paid for the year.

Listing on Stock Exchanges:

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

- The Bombay Stock Exchange - Phiroze Jeejeebhoy Towers, (BSE)
Dalal Street, Mumbai 400 023
- National Stock Exchange of India Ltd. - Exchange Plaza Bldg.,
5th 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 2016 - 2017.



GDRs of the Company are listed with the Luxembourg Stock Exchange

Stock Code : 500117 (BSE)
DCW (NSE)

Demat ISIN Nos. : INE 500A01029 (Fully Paid)

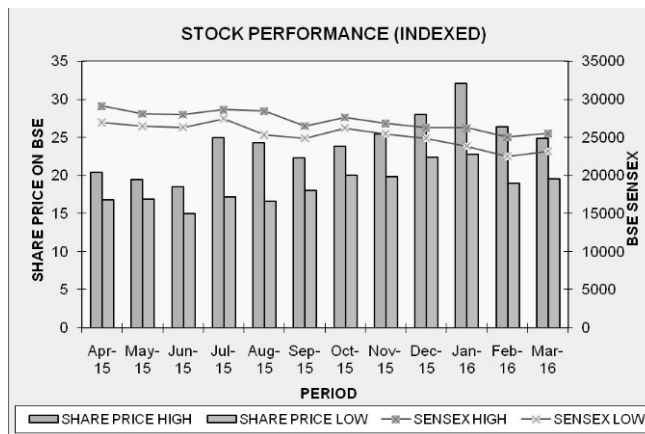
Market price data :

High / Low During each month in last Financial year :

Month / Year	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2015	20.4	16.65	20.4	16.75
May, 2015	19.4	16.9	19.4	16.9
June, 2015	18.4	14.95	18.5	15
July, 2015	24.9	17.15	24.9	17.15
August, 2015	24.25	15.6	24.3	16.6
September, 2015	22.25	17.9	22.25	18
October, 2015	23.8	20.05	23.85	20
November, 2015	25.35	19.6	25.4	19.8
December, 2015	28	22.35	28	22.35
January, 2016	32.05	22.75	32.1	22.8
February, 2016	26.4	18.75	26.4	19
March, 2016	24.85	19.4	24.85	19.5

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.

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) and help them to serve you better.

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 31.03.2016 :-

Range	No. of Shareholders	% of Shareholders	Total No. of Shares held	% of Total Capital
1 - 5000	48460	91.7334	22622802	10.2980
5001 - 10000	2338	4.4258	9009504	4.1012
10001 - 20000	1053	1.9933	8068511	3.6728
20001 - 30000	292	0.5527	3688211	1.6789
30001 - 40000	161	0.3048	2933610	1.3354
40001 - 50000	106	0.2007	2481275	1.1295
50001 - 100000	197	0.3729	7289738	3.3183
100001 - above	220	0.4165	163587756	74.4659
Total	52827	100	219681407	100

Shareholding Pattern as on 31.03.2016

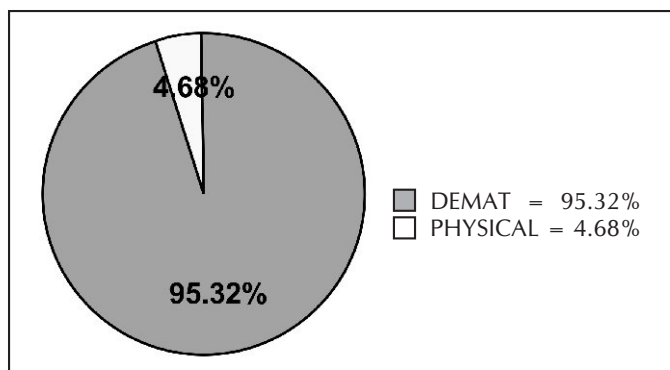
	Category of Shareholder	No. of Shares held	Percentage of Shareholding
(A)	Shareholding of Promoter and Promoter Group		
1	Indian		
(a)	Individuals/ Hindu Undivided Family	48,979,370	22.4807
(b)	Central Government/ State Government(s)	-	-
(c)	Bodies Corporate	5,48,06,290	25.1552
(d)	Financial Institutions/ Banks	-	-
(e)	Any Others (Specify)	-	-
	Sub Total (A)(1)	10,76,09,110	49.3908
2	Foreign		
	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)	10,76,09,110	49.3908

(B) 1	Public shareholding Institutions		
(a)	Mutual Funds/ UTI	21,255	0.0098
(b)	Financial Institutions / Banks	5,16,823	0.2835
(c)	Central Government/ State Government(s)	-	-
(d)	Venture Capital Funds	-	-
(e)	Insurance Companies	66,79,665	3.0659
(f)	Foreign Institutional Investors	14,771,333	6.7798
(g)	Foreign Venture Capital Investors	-	-
(h)	Any Other (specify)	-	-
(h-i)	Foreign Banks	42,225	0.0194
	Sub-Total (B)(1)	2,46,02,964	11.5239
B 2	Non-institutions		
(a)	Bodies Corporate	1,22,03,692	5.6013
(b)	Individuals	6,82,68,309	31.3340
(c)	Any Other (specify)	-	-
(c-i)	Clearing Member	6,14,605	0.2821
(c-ii)	NRI	12,89,572	0.5918
(c-iii)	OCBs	58,35,218	2.6782
(c-iv)	Trust	20,850	0.0096
	Sub-Total (B)(2)	8,82,32,246	40.4972
(B)	Total Public Shareholding (B) = (B)(1) + (B)(2)	10,90,34,113	51.0711
	TOTAL (A) + (B)	21,78,72,657	99.1767
(C)	Shares held by Custodians and against which Depository Receipts have been issued	18,08,750	0.8233
	GRAND TOTAL (A) + (B) + (C)	21,96,81,407	100.00

Dematerialisation of shares: 205,418,332 Equity shares held by 46758 Shareholders comprising 95.32% of the paid up Share Capital have been dematerialised as on 31st March, 2016.

Bifurcation of the category of shares in physical and Electronic mode as on 31st March, 2016 is given below.

Category	No. of Shareholders	No. of shares	Percentage %
PHYSICAL	6069	10274496	4.68
NSDL	28351	184866119	84.15
CDSL	18407	24540792	11.17
TOTAL	52827	219681407	100.0



For queries on Annual Report: legal@dcwlimited.com

For queries in respect of shares in physical mode: investor@bigshareonline.com

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

Outstanding GDRs as on 31st March, 2016 represent 1808750 shares (0.82%).

As and when GDRs are surrendered the corresponding equity shares entitled by them are relieved by the local custodian of the depository. Hence there is no impact on equity.

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

Plant Location : Given in the 1st page of this Annual Report

Address for correspondence : DCW Limited, Nirmal, 3rd floor, Nariman Point, Mumbai - 400 021

Share Transfers and other :

Communications may be Addressed to : Bigshare Services Pvt. Ltd.,
Unit DCW Ltd., 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 : investor@bigshareonline.co

Investors' complaints may be Addressed to : Dy. Company Secretary **DCW Limited**, Nirmal, 3rd floor, Nariman Point,
Mumbai – 400 021

• **Share Transfer :**

209406911 of Equity Shares of the Company are in Electronic forms. Transfer of these Shares is done through Depositories with no involvement of the Company. As regards, the Transfer of Shares held in Physical form, the Transfer Deeds can be lodged with the Registrar and Share Transfer Agent at the Address Mentioned above and the Company processes the Transfers with the prescribed time limit.

13. Other Disclosures

1. Disclosures on materially Significant Related Party Transaction that may have potential Conflicts with the interests of Listed Entity at large;

During the year, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large, Suitable Disclosures as required by the Accounting Standard (AS-18) has been made in the notes to the Financial Statements

Web-link where policy for determining 'material' subsidiaries is disclosed;

<http://www.dcwlimited.com/PDF/policy/policy.zip>

2. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years;

During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the Capital Market.

3. Vigil Mechanism / Whistle Blower Policy

In terms of the provisions of Section 177 (9) & (10) of the Companies Act, 2013 company has established a Vigil Mechanism for Directors and employees to report genuine concerns about unethical behaviour of suspected fraud or violation of the Company's Code of Conduct by Directors / employees. The Audit Committee oversees the Vigil Mechanism. Vigil Mechanism has been disclosed by the Company on its website. It is affirmed that no personnel has been denied access to the Audit Committee during the financial year 2015-16.

4. Details of compliance with Mandatory requirements and adoption of non mandatory requirements.

During the financial year 2015-16, the Company has complied with all mandatory requirements as specified in the SEBI Listing Regulations. The Company has adopted the below specified non-mandatory requirements in terms of Regulations 27(1) of SEBI Listing Regulations:

i. Modified Opinion in Audit Report

During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.

ii. Reporting of Internal Auditor

The Company has appointed qualified Chartered Accountants firm as Internal Auditors to do Internal Audit of its head office, Works and other offices of the Company. Internal Auditor reports directly to the Audit Committee of the Board.

5. Web-link where policy for determining 'material' subsidiaries is disclosed;

<http://www.dcwlimited.com/PDF/policy/policy.zip>

6. Web-link where policy on dealing with related party transactions;

<http://www.dcwlimited.com/PDF/policy/policy.zip>

7. Disclosure of commodity price risks and commodity hedging activities.

The Company is exposed to commodity price on coal. To overcome commodity Risk, company generally enters into Supply Agreement for supply of coal over a period of 6-9 months wherein commodity price risk is to Supplier's account. The Company also is exposed to Foreign Exchange risk on import of raw material like VCM, Coal etc. Company does hedging transactions generally by way of Forward Contract/derivatives on actual user basis.

14 Compliance:

The Company is in full compliance with all the requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the listing regulations.



DECLARATION ON COMPLIANCE WITH THE COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

I, hereby, confirm and declare that in terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board members and Senior Management Personnel of the company have affirmed compliance with the "Code of Conduct for the Board of Directors and the Senior Management Personnel", for the financial year 2015-16.

Shri P. K. Jain
Chairman & Managing Director

CEO / CFO Compliance Certificate

The Board of Directors

DCW Limited

Nirmal 3rd Floor, Nariman Point, Mumbai – 400021. INDIA

Re: CEO / CFO Certificate

We, Shri. P. K. Jain, Chairman & Managing Director and Mr. Vimal Jain Chief Financial Officer do hereby certify the following:-

- a) We have reviewed the standalone Financial Statements and Cash flow statements for the year ended 31st March, 2016 and that to the best of our knowledge and belief:
 - i) these statement do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading
 - ii) these statements together presents a True and fair view of the Company's affairs and are in Compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are, to the Best of our Knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2016, which are fraudulent, illegal or violative of the Company's Code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operations of such internal controls, if any, of which they are aware and the steps they have taken or proposes to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee,
 - i) Significant changes in Internal control over financial reporting during this year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the Financial statements; and
 - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Listed entity's internal control system over financial reporting.

Place: Mumbai
Date: 25/5/2016

Sd/-
Chairman & Managing Director

Sd/-
Chief Financial Officer

CERTIFICATE ON COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT/THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 BY DCW LIMITED.

To the Members,

DCW LIMITED

1. We have examined the compliance of conditions of Corporate Governance by DCW Limited ('the Company'), for the year ended on 31st March, 2016, as stipulated in:
 - Clause 49 (Excluding Clause 49 (vii) (E)) of the Listing Agreements of the Company with the stock Exchange(s) for the period from April 01, 2015 to November 30, 2015.
 - Clause 49 (vii) (E) of the Listing Agreements of the Company with the Stock Exchange(s) for the period April 01, 2015 to September 01, 2015.
 - Regulation 23 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations , 2015 (the Listing Regulation) for the period from September 02, 2015 to March 31, 2016 and
 - Regulation 17 to 27 (Excluding Regulation 23(4)) and clause (b) to (i) of Regulation 46 (2) and Para C, D and E of schedule (v) of the Listing Regulations for the period from December 01, 2015 to March 31, 2016 .
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our Examination was limited to the procedures and implementations thereof, adopted by the Company for ensuring Compliance with the conditions of the Corporate governance. It is neither an audit nor an expression of opinion on the Financial statements of the Company.
3. In our Opinion and to the best of our information and according to our examination of the relevant record and the explanations given to us and the representations made by the Directors and the Management, we Certify that the Company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and Para C, D and E of schedule V of the Listing Regulations for the respective period of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
4. We state that such Compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

(Dr. S. K. Jain)
Proprietor
Company Secretary
FCS. : 1473
COP : 3076

Place: Mumbai
Date: 23/05/2016

Balance sheet

As at 31st March 2016



	AS AT 31/03/2016 US\$ in Millions*	AS AT 31/03/2015 US\$ in Millions#
EQUITY AND LIABILITIES :		
Shareholders' funds :		
Capital	6.63	6.83
Reserves and Surplus	82.82	82.78
Money received against share warrants	0.11	-
Non-current liabilities		
Long-term borrowings	83.77	90.78
Deferred tax liabilities (Net)	18.83	18.35
Long-term provisions	1.95	1.77
Other Long term Liabilities	3.77	4.00
Current liabilities		
Short-term borrowings	27.25	18.19
Trade payable	34.74	47.01
Other current liabilities	29.32	25.88
Short-term Provisions	0.41	-
TOTAL	289.60	295.59
ASSETS :		
Non-current assets		
Fixed Assets		
Tangible assets	178.84	101.61
Capital Work in Progress	58.39	135.91
Intangible assets	-	-
Non-current investments	0.01	0.01
Long-term loans and advances	3.06	3.42
Other non-current assets	1.70	1.13
Current assets		
Inventories	25.35	26.50
Trade receivables	17.63	15.13
Cash and Bank balances	0.27	1.09
Short-term loans and advances	4.35	10.79
TOTAL	289.60	295.59

* One US\$ = Rs. 66.25

One US\$ = Rs. 62.50



Profit & Loss Accounts FOR THE YEAR ENDED 31ST MARCH 2016

	For the year ended 31/03/2016 US\$ in Millions*	For the year ended 31/03/2015 US\$ in Millions#
Revenue from Operations	212.38	221.44
Less : Excise Duty	20.44	20.72
Revenue from Operations (net)	191.94	200.72
Other Income	0.41	0.30
Total Revenue	192.35	201.02
Expenses:		
Cost of materials consumed	92.84	103.09
Purchase of stock-in-trade	0.02	0.01
Changes in inventories of finished goods, work-in progress and stock-in-trade	0.05	7.30
Excise duty on inventory differential	(0.17)	0.22
Employee benefits expense	14.55	14.75
Finance costs	8.75	2.99
Depreciation	9.99	8.32
Other expenses	61.96	64.99
Total Expenses	187.99	201.67
Profit before exceptional and extraordinary items and tax	4.36	(0.65)
Exceptional Items	-	(0.10)
Profit before extraordinary items and tax	4.36	(0.75)
Extraordinary Items	-	-
Profit before tax	4.36	(0.75)
Tax expense:		
Current Tax	0.98	-
MAT Credit Available for setoff	(0.93)	0.34
Deferred tax	1.52	(0.20)
Tax Adjustments in respect of earlier years	-	0.05
Profit for the period from continuing operations	2.80	(0.94)
Profit from discontinuing operations	-	-
Tax expense of discontinuing operations	-	-
Profit from discontinuing operations after tax	-	-
Profit for the period from continuing operations	2.80	(0.94)

* One US\$ = Rs. 66.25

One US\$ = Rs. 62.50

Key Financial Data



	2015 - 2016		2014 - 2015	
	Rs. In Millions ¹	US \$ in Millions ^{1*}	Rs. In Millions ¹	US \$ in Millions ^{1#}
Gross Sales	14,070.43	212.38	13,839.80	221.44
Fixed Assets - Gross Block	17,996.19	271.64	11,854.76	189.68
Net Block	11,848.32	178.84	6,350.73	101.61
Export Earnings	1,706.07	25.75	1,522.60	24.36
Earning Before Depreciation and Interest	1,531.03	23.11	659.24	10.55
Interest	579.71	8.75	186.87	2.99
Earnings Before Depreciation	951.32	14.36	472.37	7.56
Depreciation	662.17	10.00	520.02	8.32
Earnings Before Tax	289.15	4.36	(47.66)	(0.76)
Taxation				
Current	65.00	0.98	-	-
MAT Credit available for set off / utilized	(61.70)	(0.93)	21.17	0.34
Excess Provision of Income Tax Written Back	-	-	-	-
Deferred Tax	100.40	1.52	(12.22)	(0.20)
Tax Adjustments in respect of earlier years	-	-	2.61	0.04
Earnings After Tax	185.45	2.80	(59.22)	(0.95)
No. of shares of Rs.2/- each (Million Nos.) @	219.69	219.69	213.49	213.49
Earnings per Shares (Rs. / US \$)	0.86	0.01	(0.28)	(0.00)
Net Worth (Excl.Revaluation Reserve)	5,856.37	88.40	5,528.62	88.46
Book value per share	26.66	0.40	25.90	0.41
Gross profit to sales (%)	6.76	6.76	3.41	3.41
(Earnings Before Depreciation)				
Interest coverage Ratio	2.64	2.64	3.53	3.53
Debt / Equity	1.45:1	1.45:1	1.39:1	1.39:1
Current Assets / Current Liabilities	0.52	0.52	0.59	0.59

* 1 US \$ = Rs. 66.25

1 US \$ = Rs.62.50



INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2016

TO THE MEMBERS OF DCW LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of DCW LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 38(a),(c) and (f) to the financial statements which describes the uncertainty related to the outcome of the petitions/appeals filed by the company in the matter of retrospective legislation and electricity tax demand of Rs.3568.70 lacs on captive power generated during the period 2003-2012; in the matter of customs duty demand of Rs.2961.65 lacs on coal imported by the company during 2011 and 2012 and in the matter of revision in the lease rent demanded by V. O. Chidambaranar Port Trust of Rs 443.40 lakhs for the years 2006 to 2016 and hence have not been provided. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 30 and 38 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 35(c) to the financial statements;
 - iii. There have been no delays in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

For V. SANKAR AIYAR & CO
Chartered Accountants
Firm's Registration No.109208W

Place: Mumbai
Date: 25th May, 2016

S. Venkataraman
Partner
Membership No. 023116

**ANNEXURE A REFERRED TO IN THE AUDITOR'S REPORT TO THE MEMBERS OF DCW LIMITED ON
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

- I. (a) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) We are informed that the fixed assets have been physically verified by the Management 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) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company except in case of certain lands and buildings referred to in Note 11.3, 11.4, 11.6, 11.7 and 38.b.
- ii. The inventories of finished goods (except goods lying with consignees and intransit), stores, spare parts and raw materials have been physically verified by the management with the help of external agencies. In our opinion, the frequency of physical verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the company has not granted any loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. The company has not granted any loans, guarantees or security and has not made investments to which the provisions of section 185 and 186 of the Companies Act, 2013 apply.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public during the year. Therefore the provisions of clause (v) of Para 3 of the order are not applicable to the Company.
- vi. The Central Government has prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of certain products manufactured by the Company. We have broadly reviewed the records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
- vii. (a) According to the records maintained by the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues with 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, 2016, 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/ value added tax / customs duty / service tax / excise duty / cess, which have not been deposited on account of dispute are as follows:

Name of the Statute / Nature of Dues	Period	Forum where dispute is pending					
		Supreme Court	High Court	Appel- late Tribunal*	Appellate Authority **	State Gover- nment	Grand Total
Customs Act, 1962 (Custom Duty Including Penalty & Interest, wherever applicable)	1997 to 2016	-	-	4998.98	-	-	4998.98
Central Excise Act, 1944 (Excise Duty Including Penalty & Interest, wherever applicable)	1997 to 2015	-	82.50	384.76	90.54	-	557.80
Sales Tax legislations (sales tax, including penalty & interest wherever applicable)	1982 to 2016	-	69.89	534.90	1027.81	1678.97	3311.57
Service Tax	2005 to 2015	-	-	-	39.17	-	39.17
Local cess, local cess surcharge [land revenue including penalty and interest wherever applicable]	1989 to 2016	-	443.40	-	-	12.49	455.89
GRAND TOTAL		-	595.79	5918.64	1157.52	1691.46	9363.41

* 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

- viii. 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 Banks/Financial Institutions. The company has not taken any loan from any Government or by way of issue of debentures.
- ix. According to the information and explanations given to us and the records of the company, the company has not raised money by way of initial public offer or further public offer during the year. In our opinion, the term loans taken during the year have, prima facie, been applied for the purpose for which they were raised.
- x. According to the information and explanations given to us and based on audit procedures performed and representations obtained from the management, we report that no fraud on the Company by its officers or employees or by the company, has been noticed or reported during the year under audit.
- xi. According to the information and explanations given to us and based on verification of records, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence clause (xii) of the order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, and considering the approval of the Audit Committee, the company has complied with provisions of section 177 and 188 of Companies Act, 2013 with respect to related party transactions entered in to during the year under review and the details have been disclosed in the Financial Statements etc., as required under Accounting Standard 18 – Related Party Disclosures.
- xiv. The company has made preferential allotment of shares to the promoters, promoters group, business associates & relatives of business associates during the year. According to the information and explanations given to us, the requirements of Sec 42 of the Companies Act 2013 for the same have been complied with and the amount raised have been used for the purposes for which the funds were raised.
- xv. According to the information and explanations given to us and based on verification of records, the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For V. SANKARAIYAR & CO
Chartered Accountants
Firm's Registration No.109208W

Place: Mumbai
Date: 25th May, 2016

S. Venkataraman
Partner
Membership No. 023116

“ANNEXURE B” REFERRED TO IN THE AUDITOR'S REPORT TO THE MEMBERS OF DCW LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of DCW Limited as of March 31st, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For V. SANKAR AIYAR & CO
Chartered Accountants
Firm's Registration No.109208W

Place: Mumbai
Date: 25th May, 2016

S. Venkataraman
Partner
Membership No. 023116



BALANCE SHEET

As At 31st March, 2016

	Note	AS AT 31/03/2016 Rs. In Lacs	AS AT 31/03/2015 Rs. In Lacs
EQUITY AND LIABILITIES			
Share Capital	2	4,393.64	4,269.89
Reserves and Surplus	3	54,865.68	51,739.40
Subtotal - Shareholders' funds		59,259.32	56,009.29
Money received against share warrants	3A	75.10	-
Non-current liabilities			
Long-term borrowings	4	55,499.74	56,739.65
Deferred tax liabilities (net)	5	12,471.85	11,467.87
Long-term provisions	6	1,289.36	1,104.74
Other Long term liabilities		2,500.00	2,500.00
Subtotal - Non Current liabilities		71,760.95	71,812.26
Current liabilities			
Short-term borrowings	7	18,050.79	11,369.63
Trade payable	8	23,017.67	29,383.85
Other current liabilities	9	19,422.02	16,166.40
Short-term Provisions	10	273.24	-
Subtotal - Current liabilities		60,763.72	56,919.88
TOTAL - EQUITY AND LIABILITIES		191,859.09	184,741.43
ASSETS			
Non-current assets			
Fixed Assets	11	118,483.19	63,507.31
Capital Work in Progress		38,681.55	84,946.69
Non-current investments	12	5.10	5.10
Long-term loans and advances	13	2,025.01	2,134.43
Other non-current assets	14	1,128.08	704.42
Subtotal - Non current assets		160,322.93	151,297.95
Current assets			
Inventories	15	16,795.95	16,559.74
Trade receivables	16	11,678.37	9,458.13
Cash and Bank balances	17	177.98	678.84
Short-term loans and advances	18	2,883.86	6,746.77
Subtotal - Current assets		31,536.16	33,443.48
TOTAL		191,859.09	184,741.43
Summary of Significant Accounting Policies	1		
Other Notes to the financial statements	31-45		

As per our Report attached.

For V.Sankar Aiyar & Co.

Chartered Accountants

FRN No. 109208W

S. Venkataraman

Partner

Membership No. 023116

Place: Mumbai

Date: 25 May, 2016

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

PROFIT AND LOSS

FOR THE YEAR ENDED 31st March 2016



	Note	For the year ended 31/03/2016 Rs. in Lacs	For the year ended 31/03/2015 Rs. in Lacs
Revenue from Operations	19	140,704.31	138,397.98
Less : Excise Duty		13,544.51	12,951.15
Revenue from Operations (net)		127,159.80	125,446.83
Other Income	20	270.38	184.89
Total Revenue		127,430.18	125,631.72
Expenses:			
Cost of materials consumed	21	61,505.46	64,431.20
Purchase of stock-in-trade	22	11.31	7.22
Changes in inventories of finished goods, work-in progress and stock-in-trade	23	30.10	4,563.91
Excise duty on inventory differential	24	(114.33)	139.00
Employee benefits expense	25	9,638.02	9,216.25
Finance costs	26	5,797.08	1,868.72
Depreciation	27	6,621.65	5,200.17
Other expenses	28	41,049.33	40,621.63
Total Expenses		124,538.62	126,048.10
Profit before exceptional and extraordinary items and tax		2,891.56	(416.38)
Exceptional Items	29	-	(60.16)
Profit before extraordinary items and tax		2,891.56	(476.54)
Extraordinary Items		-	-
Profit before tax		2,891.56	(476.54)
Tax expense:			
Current Tax		650.00	-
MAT Credit Utilised/ (Available for setoff)		(617.00)	211.73
Deferred tax		1,003.98	(122.19)
Tax Adjustments in respect of earlier years		-	26.09
Profit/(Loss)for the period from continuing operations		1,854.58	(592.17)
Profit / (Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit / (Loss) for the period		1,854.58	(592.17)
Earning per equity share:			
Basic (Face Value of Rs. 2/- each)		0.86	(0.28)
Diluted (Face Value of Rs. 2/- each)		0.86	(0.28)
Summary of Significant Accounting Policies	1		
Other Notes to the Financial Statements	31-45		

As per our Report attached.
For V.Sankar Aiyar & Co.
Chartered Accountants
FRN No. 109208W
S.Venkataraman
Partner
Membership No. 023116
Place: Mumbai
Date: 25 May, 2016

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 31st MARCH, 2016

Particulars

A. Cash flow from operating Activities

Net profit before tax and extraordinary items			
Adjustments for :			
Non-cash items			
Depreciation and amortisation expense	6,621.65		5,200.17
Finance Costs	5,797.08		1,868.72
Interest income	(24.63)		(35.68)
(Profit) / Loss on Sale of Asset	(9.35)		(159.57)
Dividend income	-		(3.29)
Operating profit before working capital changes		12,384.75	6,870.35
Adjustments for :			
Trade and other receivables	1,672.26		1,372.16
Inventories	(236.21)		3,801.58
Trade and other payables	(4,160.19)	(2,724.14)	(4,153.19)
Cash generation from operations		12,552.18	7,414.36
Direct taxes paid		(103.63)	(554.29)
Net cash flow from operating Activities		12,448.55	6,860.07

B. Cash flow from Investing Activities

Purchase of fixed Assets	(10,413.59)		(8,986.06)
Sale of Fixed Assets	18.29		77.01
Purchase / Sales of Investments	-		309.82
Investment in Fixed Deposits pledged towards			
Margin Money	328.01		(152.05)
Dividend Income	-		3.29
Interest income	24.63		35.68
Net cash used in investing Activities		(10,042.66)	(8,712.31)

C. Cash from financing activities

Proceeds from issue of share capital	1,498.06		1,000.00
Proceeds from Long-Term Borrowing	8,960.94		7,877.07
Repayment of Long Term Borrowing	(8,960.92)		(6,902.72)
Short Term Borrowing (Net)	6,786.84		9,820.69
Finance Costs	(10,757.97)		(8,979.39)
Dividend paid	-		(755.25)
Tax on dividend	-		(128.35)
Net cash used in financing Activities		(2,473.05)	1,932.05

Net increase in Cash and Cash equivalents

Cash & Cash Equivalents as at 1st April 2015

Cash & Cash Equivalents as at 31st March 2016

	2015-16 Rs in Lacs	2014-15 Rs in Lacs
	2,891.57	(476.54)
	6,621.65	5,200.17
	5,797.08	1,868.72
	(24.63)	(35.68)
	(9.35)	(159.57)
	-	(3.29)
	12,384.75	6,870.35
	15,276.32	6,393.81
	1,672.26	1,372.16
	(236.21)	3,801.58
	(4,160.19)	(4,153.19)
	12,552.18	7,414.36
	(103.63)	(554.29)
	12,448.55	6,860.07
	(10,413.59)	(8,986.06)
	18.29	77.01
	-	309.82
	328.01	(152.05)
	-	3.29
	24.63	35.68
	(10,042.66)	(8,712.31)
	1,498.06	1,000.00
	8,960.94	7,877.07
	(8,960.92)	(6,902.72)
	6,786.84	9,820.69
	(10,757.97)	(8,979.39)
	-	(755.25)
	-	(128.35)
	(2,473.05)	1,932.05
	(67.16)	79.81
	243.31	163.50
	176.15	243.31
	67.16	(79.81)

As per our Report attached.
For V.Sankar Aiyar & Co.
Chartered Accountants
FRN No. 109208W
S.Venkataraman
Partner
Membership No. 023116
Place: Mumbai
Date: 25 May, 2016

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 31ST MARCH, 2016:



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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 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 of 33.33 years (Refer Note 11.1).

Assets Description	Useful Life(Years)
Continuous Process Plant	20
Cogeneration Power Plant	25
Electrical Installation Other than in Cogen Power Plant	15
Salt Works	1
Cars & Two Wheelers	5

as determined by a Chartered Engineer & Valuer.

- c) On fixed assets costing less than Rs. 5000/- each, at 100%
- d) On balance fixed assets of the company based on the useful life specified in Schedule II to the Companies Act, 2013.
- e) On fixed assets added/disposed of during the year, on pro-rata basis with reference to the month of addition/disposal.
- f) On Technical Know-how fees at 33.33%.

Residual values of the fixed assets are held at 5% except that of Furniture and fixtures and Office equipment at Re. 1 as estimated by the Chartered Engineer & Valuer.

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.



NOTES FORMING PART OF THE BALANCE SHEET

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 amounts 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.

NOTES FORMING PART OF THE BALANCE SHEET



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

21,96,81,407 Equity Shares of Rs. 2/- each
(Previous Year 21,34,94,657 shares of Rs. 2/- each)

Face value per share

TOTAL

AS AT 31/03/2016 Rs. in lacs	AS AT 31/03/2015 Rs. in lacs
6,500.00	6,500.00
6,500.00	6,500.00
4,393.64	4,269.89
Rs. 2/-	Rs. 2/-
4,393.64	4,269.89

- a) 2,36,10,000 Equity Shares were issued and allotted on preferential basis to the promoter of the company and FII's during 2007-2008.
- b) During the year, 48,80,750 Equity Shares of Rs 2 each at a premium of Rs 21 per share were issued and allotted on preferential basis to promoters / promoters group and business associates including relatives of business associates of the company.
- c) 1,36,36,363 , 37,03,704 and 13,06,000 Shares were issued and allotted on preferential basis to the promoters on conversion of warrants during 2011-12, 2014-15 and 2015-16 respectively.

d) Name of Share Holders holding more than 5% shares:

Name of Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	% held	No. of Shares	% held
Sahu Brothers P Ltd	5,24,59,860	24	5,12,59,860	24.01
Particulars	As at 31.3.2016		As at 31.3.2015	
	Nos of Shares		Nos of Shares	
Equity Shares at the beginning of the year	21,34,94,657		20,97,90,953	
Add : Shares Issued on preferential basis	48,80,750		37,03,704	
Add: Shares Issued on conversion of warrants to promoters on preferential basis	13,06,000		-	
Equity Shares at the end of the year	21,96,81,407		21,34,94,657	



NOTES FORMING PART OF THE BALANCE SHEET

NOTE "3"

Reserves and Surplus

Capital Reserves

As per last Balance Sheet

Closing Balance

AS AT
31/03/2016
Rs. in lacs

406.88

406.88

AS AT
31/03/2015
Rs. in lacs

406.88

406.88

Capital Redemption Reserve

As per last Balance Sheet

Closing Balance

5.30

5.30

5.30

5.30

Securities Premium Reserve

Opening Balance

Add: Additions During the Period

Closing Balance

11,593.90

1,299.22

12,893.12

10,667.98

925.92

11,593.90

Revaluation Reserve

Opening Balance

Less: Transfer to Profit & Loss A/c

Closing Balance

723.09

27.52

695.57

769.27

46.18

723.09

General Reserve

Opening Balance

Add: Additions During the Period

Closing Balance

31,301.04

-

31,301.04

31,301.04

-

31,301.04

Surplus

Opening Balance

Add: Profit / (Loss) for the period

Closing Balance

7,709.19

1,854.58

9,563.77

8,301.36

(592.17)

7,709.19

TOTAL

54,865.68

51,739.40

NOTE "3A"

Money received against share warrants

75.10

-

TOTAL

75.10

-

"Lock-in:

The shares allotted on preferential basis has lock-in from period as specified under the ICDR Regulations."

"Money received against Share Warrants:

13,06,000 convertible warrants out of 26,12,000 have been issued & allotted to promoters during the year. The Warrants are convertible into Equity Shares in one or more tranches within 18 months from the date of their allotment. Each Warrant will be convertible into 1 (one) Equity Share of par value of Rs.2 each at an issue price of Rs.23 per equity share (including premium of Rs. 21 per equity share). 25% of the issue price of the Warrants will be paid on the date of allotment of the Warrants. The balance 75% of the issue price of the Warrants is payable at the time of allotment of the Equity Shares and non-payment would entail in forfeiture of the amount paid."

NOTE NO. 4
NOTES FORMING PART OF THE BALANCE SHEET AS AT AND THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

Rs. in lacs

SR NO	PARTICULARS	31.03.2016	31.03.2016	31.03.2015	31.03.2015
		Non Current	Current Maturities	Non Current	Current Maturities
A	TERM LOANS - SECURED				
	FROM BANKS :				
1	TERM LOAN FROM LAXMI VILAS BANK (Repayble in 16 equal quarterly installments, last installment falling due in Oct 2020)	2,187.50	312.50	-	-
2	TERM LOAN FROM KOTAK MAHINDRA BANK LTD. (ING VYSYA BANK LTD.) (Repayble in 24 equal quarterly installments, last installment falling due in Aug 2017)	50.70	241.80	292.50	350.10
3	ECB FROM ICICI BANK	-	-	-	2,101.00
4	TERM LOAN FROM ICICI BANK LTD (Repayble in 28 equal quarterly installments, last installment falling due in Jan' 2023)	5,384.28	1,071.43	6,428.58	1,071.42
5	TERM LOAN FROM LAXMI VILAS BANK (Repayble in 16 equal quarterly installments, last installment falling due in Feb 2017)	-	1,000.00	1,000.00	1,000.00
6	Term Loan from PNB (Repayble in 28 equal quarterly installments, last installment falling due in Mar 2022)	10,665.72	1,777.62	12,443.34	-
7	Term Loan from ICICI Bank (Repayble in 28 equal quarterly installments, last installment falling due in April -2023)	5,689.44	682.73	4,073.72	-
8	TERM LOAN FROM STATE BANK OF TRAVANCORE (Repayble in 28 equal quarterly installments, last installment falling due in Sep -2023)	3,582.46	417.00	2,314.16	-
9	Term Loan From Development Credit Bank (Repayble in 16 equal quarterly installments, last installment falling due in December 2018)	1,312.50	750.00	2,062.50	750.00
10	Car Loans from Bank (Repayable in monthly installments, last installment is due in July 2017)	56.60	59.69	44.55	94.53
11	State Bank of India (Repayble in 16 equal quarterly installments, last installment falling due in in Mar 2020)	2,400.00	800.00	3,000.00	800.00
	TOTAL A	31,329.20	7,112.77	31,659.35	6,167.05
B	FROM INSTITUTIONS :				
12	TERM LOAN FROM IREDA (Repayble in 44 equal quarterly installments, last installment falling due in June 2022)	4,366.37	729.56	5,095.96	729.56
13	TERM LOAN FROM EXIM BANK	-	-	-	487.92
14	TERM LOAN FROM EXIM BANK (Repayble in 28 equal quarterly installments, last installment falling due in in Sept 2022)	13,286.31	2,530.72	15,184.35	2,530.73
15	TERM LOAN FROM EXIM BANK (Repayble in 28 equal quarterly installments, last installment falling due in in Jan 2023)	6,517.86	782.14	4,800.00	-
	TOTAL B	24,170.54	4,042.42	25,080.31	3,748.21
	Amount taken to current maturities of long term debts under other current liabilities (Note No 9)		11,155.19		9,915.26
	TOTAL (A + B)	55,499.74		56,739.66	



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.

	AS AT 31/03/2016 Rs. in lacs	AS AT 31/03/2015 Rs. in lacs
NOTE "5"		
Deferred tax liabilities (net)		
Deferred Tax Liability	12,965.63	11,961.65
Less: Deferred Tax Asset	493.78	493.78
TOTAL	12,471.85	11,467.87

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

Nature of timing difference	Deferred Tax Liability / (Assets) as at 1st April 2015	Debit / (Credit) for the year	Deferred Tax Liability / (Asset) as at 31st March 2016
(a) Deferred tax liabilities			
Difference between accounting and tax Depreciation	11961.65	1003.98	12965.63
Sub-total	11961.65	1003.98	12965.63
(b) Deferred tax assets			
Expenses allowed on payment basis	493.78	-	493.78
Sub-total	493.78	-	493.78
	11467.87	1003.98	12471.85

	AS AT 31/03/2016 Rs. in lacs	AS AT 31/03/2015 Rs. in lacs
NOTE "6"		
Long term provisions		
Provision for Gratuity	109.67	26.48
Provision for Leave Encashment	1,179.69	1,078.26
TOTAL	1,289.36	1,104.74

NOTE "7"

Short-term borrowings (from Banks Secured)

Loans repayable on demand		
Working Capital	6,935.53	6,105.59
Line of Credit	11,115.26	5,264.04
TOTAL	18,050.79	11,369.63

NOTES FORMING PART OF THE BALANCE SHEET



LOANS – Security

Working Capital

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, semi-finished 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 Institution.

	AS AT 31/03/2016 Rs. in lacs	AS AT 31/03/2015 Rs. in lacs
NOTE "8"		
Trade Payables		
Acceptances against Letters of Credit	15,886.68	21,409.07
Dues to Micro and Small Enterprises (Refer Note No 39)	113.05	131.90
Sundry Creditors (other than dues of Micro and Small Enterprises)	7,017.94	7,842.88
TOTAL	23,017.67	29,383.85
NOTE "9"		
Other current liabilities		
Current maturities of long term borrowings		
From banks	7,112.77	6,167.05
From Financial Institutions	4,042.42	3,748.21
Interest accrued but not due on borrowings	70.62	76.31
Unclaimed dividends #	67.95	67.23
Unpaid matured deposits and interest accrued thereon	0.04	0.04
Advance received from customers	2,742.17	1,311.99
Statutory Liabilities	1,117.46	980.68
Employee related liabilities	832.50	685.66
Trade and Other Deposits	406.75	402.70
Creditors for Capital Goods		
	3,029.34	2,726.53
TOTAL	19,422.02	16,166.40
NOTE "10"		
Short-term provisions		
Provision for Taxation (Net of Advance Tax)	273.24	-
TOTAL	273.24	-

Do not include any amount due & outstanding to be credited to investor education & protection fund

NOTES FORMING PART OF THE BALANCE SHEET

(Rs. in Lakhs)													
GROSS BLOCK						DESCRIPTION						NET BLOCK	
Note No "11" FIXED ASSETS	Description of Assets	At cost or revaluation book value Apr-15	Additions and other transfers	Adjustment (Ref. Note)	Sales and other deductions	At cost or revaluation book value 31st March '16	Opening Depreciation as on 01.04.2015	Adjustments	for the year	Dep. On Discarded/Sold Assets	As at 31st March 16	Net Block As at 31st March 16	As at 31st March 15
	Land	538.11	0.78	-	-	538.90	-	-	-	-	538.90	538.11	
	Buildings	9,702.44	20,322.31	3.74	-	30,028.49	3467.86	-	832.03	-	25,728.60	6,234.58	
	Plant and Machinery	93,118.82	41,095.06	47.63	73.27	134,188.24	47,030.00	-	4,994.45	71.20	51,953.26	46,088.82	
	Wind Mill	12,140.81	-	-	-	12,140.81	2,430.13	-	501.26	-	2,931.38	9,710.68	
	Furniture & Fittings	707.36	20.06	-	3.52	723.89	611.98	-	27.42	3.03	636.38	95.37	
	Office Equipments	663.86	54.81	-	5.43	713.24	449.07	-	80.28	4.76	524.59	214.76	
	Vehicles	1,676.21	89.61	-	137.45	1,628.36	1,051.23	-	213.73	131.75	1,133.21	624.99	
	TOTAL	118,547.61	61,582.63	51.37	219.68	179,961.93	55,040.27	-	6,649.17	210.74	61,478.71	118,483.19	
	Previous Year	116,116.18	2,467.42	359.17	395.22	118,547.58	49,989.14	-	5,246.35	195.25	55,040.23	63,507.31	

Notes :- 11

- 11.1 The Depreciation charge on the assets revalued on 31.03.1993 is more by Rs. 27.52 Lacs (Previous year Rs. 46.18 Lacs) than the depreciation charge thereon under Companies Act, 2013 and the same is 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. 51.37 Lacs (Previous Year Rs. 116.92 Lacs) relating to current year has been added to the cost of fixed assets and depreciation had been charged to Profit & Loss Account.
- 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 NO. 12 :

NON CURRENT INVESTMENTS (AT COST, UNLESS OTHERWISE SPECIFIED) :

Rs. in lacs

	FACE VALUE (RUPEES) UNIT	31.03.2016		31.03.2015	
		LONG TERM		LONG TERM	
		NOS.	RUPEES	NOS.	RUPEES
TRADE INVESTMENTS					
UNQUOTED :					
EQUITY SHARES IN SUBSIDIARY CO. :					
DCW PIGMENT LIMITED	10	50,000	5.00	50,000	5.00
OTHER INVESTMENTS :					
UNQUOTED :					
(i) INVESTMENTS IN GOVERNMENT/TRUST SECURITIES :					
7 YEARS NATIONAL SAVINGS CERTIFICATES	1,000	10	0.10	10	0.10
(ii) INVESTMENT IN EQUITY SHARES OF THE DHRANGADHRA PEOPLES CO-OP. BANK LTD.,*	25	10	0.25	10	0.25
(iii) INVESTMENT IN EQUITY SHARES IN COMPANIES :					
GLOBAL TRUST BANK	10	19,000	1.90	19,000	1.90
LESS : PROVISION FOR DEMINATION OF VALUE IN SHARES		19,000	1.90	19,000	1.90
TOTAL LONG TERM INVESTMENT			5.10		5.10
.* Figures Denote Amount in Rupees					
OTHER DISCLOSURES :					
(I) Aggregate value of quoted investments (Gross)			-		-
Market value of quoted investments			-		-
(II) Aggregate value of unquoted investments (Gross)			7.00		7.00
(III) Aggregate value of diminution in value of investments			1.90		1.90

NOTE "13"

Long-term loans and advances

Capital Advances	1,576.37	1,761.89
Security Deposits	434.79	355.73
Loans and advances to related parties (Refer Note No. 33)	(4.74)	(4.74)
Staff Loans & Advances	6.29	9.23
Vat Refund Receivable A/C	12.30	12.32

TOTAL

	AS AT 31/03/2016 Rs. in lacs	AS AT 31/03/2015 Rs. in lacs
	2,025.01	2,134.43



NOTES FORMING PART OF THE BALANCE SHEET

	AS AT 31/03/2016 Rs. in lacs	AS AT 31/03/2015 Rs. in lacs
NOTE "14"		
Other non-current assets		
Receivable under Forward Cover Contracts	-	193.34
Mat Credit Entitlement	1,128.08	511.08
TOTAL	1,128.08	704.42
NOTE "15"		
Inventories		
(As Certified by the Management)		
Raw materials	10,355.06	10,432.07
Work-in-process	184.66	66.48
Finished goods	3,467.17	3,501.12
Stores , Spares and Fuel	2,617.35	2,404.97
Packing Materials	169.05	152.44
Packing Drums & Scrap	2.66	2.66
TOTAL	16,795.95	16,559.74
NOTE "16"		
Trade Receivables		
Trade Receivable outstanding for a period exceeding six months		
-Secured, considered good	-	-
-Unsecured considered good	1,215.56	1192.74
-Doubtful	20.21	20.21
Less: Provision for doubtful debts	(20.21)	(20.21)
Other Trade Receivables		
-Unsecured, considered good	10,462.81	8265.39
TOTAL	11,678.37	9,458.13
NOTE "17"		
Cash and Cash Equivalents		
Balances with Banks in current account	158.50	326.50
Cheques,drafts on hand	0.06	0.07
Cash on hand	17.59	22.43
Other Bank Balances	176.15	349.00
Fixed Deposit	1.83	329.84
TOTAL	177.98	678.84

NOTES FORMING PART OF THE BALANCE SHEET



	AS AT 31/03/2016 Rs. in lacs	AS AT 31/03/2015 Rs. in lacs
NOTE "18"		
Short-term loans and advances		
Advance recoverable in cash or in kind or for value to be received	738.54	2,046.41
Taxes Paid (Net)	-	273.14
Staff Loans	102.98	96.42
Prepaid Expenses	232.04	321.53
Balances with Customs, Central Excise, etc,	1,810.30	4,009.27
TOTAL	2,883.86	6,746.77
NOTE "19"		
Revenue from Operations sale of Products		
-Direct sales of manufactured products	85,293.80	87,112.49
-Consignment sales of manufactured products	36,837.91	34,711.25
-Export sales of manufactured products	17,753.49	15,830.33
-Sales of traded goods	7.96	13.72
Sale of Scrap and other materials	414.61	364.73
Other Operating Income		
Export Incentive	396.54	365.46
TOTAL	140,704.31	138,397.98
Less : Excise duty	13,544.51	12,951.15
TOTAL	127,159.80	125,446.83
NOTE "20"		
Other Income		
Interest Income (TDS Rs. 0.96 lacs (PY Rs. 1.51 lacs))	24.63	35.68
Dividend Income on long-term investments	-	2.84
Dividend Income on current investments	-	0.45
Profit on Sale of Fixed Assets	12.30	6.28
Unclaimed balance written back	4.01	32.75
Insurance claims received	45.90	29.23
Other Non-operating Income	183.54	77.66
TOTAL	270.38	184.89
NOTE "21"		
Cost of Material consumed		
Opening stock in hand and in process	10,432.07	9,370.35
Add: Purchase of Raw materials	61,428.45	65,492.92
Less: Closing stock in hand and in process	10,355.06	10,432.07
TOTAL	61,505.46	64,431.20
NOTE "22"		
Purchase of Stock in Trade		
Purchase of Stock in Trade	11.31	7.22
TOTAL	11.31	7.22



NOTES FORMING PART OF THE BALANCE SHEET

NOTE "23"

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Closing stock:

	AS AT 31/03/2016 Rs. in lacs	AS AT 31/03/2015 Rs. in lacs
Finished Goods	(2,872.72)	(3,021.00)
Work-in-process	(184.66)	(66.48)
Packing Drums and Scrap	(2.66)	(2.66)
	(3,060.04)	(3,090.14)

Opening Stock:

Finished Goods	3,021.00	7,598.03
Work-in-process	66.48	44.78
Packing Drums and Scrap	2.66	2.66
Traded Shares	-	8.58
	3,090.14	7,654.05

TOTAL

	30.10	4,563.91
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NOTE "24"

Excise duty on inventory differential

Excise Duty in Closing Stock	(594.45)	(480.12)
Excise Duty in Opening Stock	480.12	619.12
	(114.33)	139.00

TOTAL

	(114.33)	139.00
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NOTE "25"

Employee benefits expense

Salaries and wages	7,576.92	7,181.86
Contributions to provident and other funds	963.58	859.96
Staff Welfare Expenses	639.36	693.00
Directors Remuneration (Net of Capitalisation of Rs. 89.08 lacs (PY. Rs. 200.44 lacs))	458.16	481.43
	9,638.02	9,216.25

TOTAL

	9,638.02	9,216.25
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NOTE "26"

Finance costs

Interest expense	5,189.10	1,469.79
Other borrowing costs	75.83	52.50
Bank Charges	532.15	346.43
	5,797.08	1,868.72

TOTAL

	5,797.08	1,868.72
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NOTES FORMING PART OF THE BALANCE SHEET



	AS AT 31/03/2016 Rs. in lacs	AS AT 31/03/2015 Rs. in lacs
NOTE "27"		
Depreciation		
Depreciation provided on fixed assets	6,649.17	5,246.35
Less: Drawn from Revaluation Reserve	(27.52)	(46.18)
TOTAL	6,621.65	5,200.17
NOTE "28"		
Other expenses		
Packing charges	1,690.40	1,674.88
Power and fuel	21,361.87	22,543.95
Operating and maintenance expenses	1,579.92	1,459.56
Rent	84.74	93.67
Repairs to building	1,010.92	970.16
Repairs to machinery	5,586.98	4,860.39
Repairs to other assets	692.87	558.28
Insurance	358.55	275.58
Rates and Taxes	78.93	33.42
Licence fees paid	58.85	54.75
TOTAL A	32,504.03	32,524.64
Payments to auditors		
-as auditors	12.50	12.50
-for taxation matters (Includes Tax Audit Fees Rs.4.00 lacs (Previous Year Rs. 5.50 lacs))	7.61	9.10
-for other services	8.50	4.17
-for reimbursement of expenses	4.50	3.77
TOTAL B	33.11	29.54
Travelling expenses	259.32	272.33
Conveyance expenses	284.86	225.35
Advertisement expenses	12.62	16.13
Professional fees	406.28	320.47
Directors Sitting Fees	3.20	3.20
Assets Sold or Written off	2.95	129.24
Wealth tax paid	6.61	6.37
Donation	6.10	4.65
Freight, Transportation, Loading and other Charges (net)	3,981.21	3,802.92
Commission to wholesalers / others	675.96	586.38
Cash discount	148.86	157.47
Vehicle expenses	143.61	121.45
Exchange Difference (Net)	1,695.42	1,495.83
Bad Debts w/off	11.14	212.80
Provision for Doubtful debts	-	(241.04)
Miscellaneous Expenses	874.05	953.90
TOTAL C	8,512.19	8,067.45
TOTAL A+B+C	41,049.33	40,621.63



NOTES FORMING PART OF THE BALANCE SHEET

NOTE "29"

Exceptional Item

Legal Metters

Profit on sale of Investment / Trade Shares

TOTAL

NOTE "30"

A. CONTINGENT LIABILITIES NOT PROVIDED FOR:

1 Disputed Sales Tax Demands

2 Disputed Excise/Service Tax Demands

3 Disputed Customs Demands

4 Company's contribution to ESI not made pursuant to petitions for exemption pending before High Court.

5 Lease Rent, Local Cess, Octroi, Interest on Octroi Surcharge, Stamp Duty, Water and Electricity duty

6 Disputed Industrial relations matters

B. Claims not acknowledged as debts:

Total

C. GUARANTEE AS A MEMBER OF THE ALKALI MFG.

ASSN. (A Company Limited by Guarantee)

AS AT 31/03/2016 Rs. in lacs	AS AT 31/03/2015 Rs. in lacs
-	422.69
-	(362.53)
-	60.16
3,406.71	3,271.89
628.63	635.61
3,121.26	3,121.26
186.66	156.57
8,700.62	8,472.34
557.08	521.96
-	-
16,600.96	16,179.63
Rs 500	Rs 500

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. 9,086 lacs (previous year Rs. 13,972 lacs).
- b) In respect of land on lease, the future obligations towards lease rentals under the lease agreements as on 31st March, 2016 amount to Rs. 35.90 lacs (previous year Rs. 42.10 lacs).
- c) The Company has given an undertaking for the purposes of obtaining 100% Export Oriented Unit status that it would export Synthetic Iron Oxide Pigment and Calcium Chloride to the extent of USD 121000 (Rs.80,223 lacs) by 20th May 2020. The Company has exported Rs 339.78 lacs of Synthetic Iron Oxide Pigment till 31st March, 2016.
- d) 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.
- e) Other Long Term Liabilities represents security deposits received towards sale of CPVC.

NOTE NO. 33:

RELATED PARTY INFORMATION.

(I) Relationships:

- (a) **List of Related Parties Where Control Exists and Related Parties with whom Transactions have taken place and Relationship:**

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

- (b) **Key Management Personnel & their Relatives**

Shri Pramod Kumar Jain	Chairman & Managing Director
Shri Bakul Jain	Managing Director
Shri Mudit Jain	Managing Director
Shri Vivek Jain	Managing Director
Shri Ashish Jain	Sr. President
Smt. Paulomi Jain	President
Smt. Malti Bhindi	President
Shri Saatvik Jain	President
Shri Vimal Jain	Chief Financial Officer
Smt. Jigna Karnick	Deputy Company Secretary

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 COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS ON 31ST MARCH, 2016. Rs. in Lakhs

Particulars	Enterprise / Key Management	Relationship	For the Year 2015-16	For the Year 2014-15
Money Received towards Share Capital	Shri Pramod Kumar Jain	Chairman & Managing Director	275.20	124.96
	Smt. Usha P Jain	Relative of Key Management Personnel	-	50.00
	Shri Bakul Jain	Managing Director	125.01	174.96
	Shri Mudit Jain	Managing Director	150.19	174.96
	Smt. Vandana Jain	Relative of Key Management Personnel	125.01	-
	Shri Saatvik Jain & Shri Vivek Jain	President	100.00	-
	Shri Vivek Jain & Shri Saatvik Jain	Managing Director	-	174.96
	Florida Holdings & Trading Pvt. Ltd.	Entities in which key management personnel & or their relatives have significant influence	25.00	-
	M/s. Sahu Brothers Pvt. Ltd.		276.00	300.16
Dhrangadhra Trading Company Pvt. Ltd.	28.00		-	
Convertible Warrants	Shri Bakul Jain	Managing Director	37.55	-
	Shri Saatvik Jain & Shri Vivek Jain	President	37.55	-
Purchase of Goods	M/s. Kishco Ltd.	Entities in which key management personnel & or their relatives have significant influence	1.74	2.46
Inter Corporate Deposit taken	M/s. Sahu Brothers Pvt. Ltd.	Entities in which key management personnel &/ or their relatives have significant influence	235.00	500.00
	M/s. Jain Sahu Brothers Properties Pvt. Ltd.		45.00	40.00
	Dhrangadhra Trading Company Pvt. Ltd.		28.00	-
		Total	308.00	540.00
Inter Corporate Deposit repaid	M/s. Sahu Brothers Pvt. Ltd.	Entities in which key management personnel & / or their relatives have significant influence	235.00	500.00
	M/s. Jain Sahu Brothers Properties Pvt. Ltd.		45.00	40.00
	Dhrangadhra Trading Company Pvt. Ltd.		28.00	-
		Total	308.00	540.00
Unsecured loan take	Shri. Vivek Jain	Managing Director	708.00	395.00
	Shri Pramod Kumar Jain	Chairman & Managing Director	530.00	545.00
	Shri. Mudit Jain	Managing Director	150.00	375.00
	Shri. Bakul Jain	Managing Director	157.00	295.00
		Total	1,545.00	1,610.00
Unsecured Loan Repaid	Shri. Vivek Jain	Managing Director	708.00	395.00
	Shri Pramod Kumar Jain	Chairman & Managing Director	530.00	545.00
	Shri. Mudit Jain	Managing Director	150.00	375.00
	Shri. Bakul Jain	Managing Director	157.00	295.00
		Total	1,545.00	1,610.00
Interest Paid	M/s. Sahu Brothers Pvt. Ltd.	Entities in which key management personnel & or their relatives have significant influence	17.30	26.24
	M/s. Jain Sahu Brothers Properties Pvt. Ltd.		3.31	2.77
	Shri Pramod Kumar Jain	Chairman & Managing Director	4.11	1.71
	Shri Vivek Jain	Managing Director	12.89	-
		Total	37.61	30.72

NOTES FORMING PART OF THE BALANCE SHEET



ii) DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS ON 31ST MARCH, 2016.

Rs. in Lakhs

Particulars	Enterprise / Key Management	Relationship	For the Year 2015-16	For the Year 2014-15
Balances as on 31st March, 2016 (Net)	M/s. Dhrangadhra Trading Company Pvt. Ltd.		(4.74)	(4.74)
		Total	(4.74)	(4.74)
Remuneration paid:				
Key Management Personnel & their Relatives	Shri Pramod Kumar Jain	Chairman & Managing Director	136.82	136.82
	Shri. Bakul Jain	Managing Director	136.82	136.82
	Shri. Vivek Jain	Managing Director	136.82	136.82
	Shri. Mudit Jain	Managing Director	136.82	136.82
	Shri. Ashish Jain	Senior President	125.91	117.97
	Mrs. Paulomi Jain	President	125.91	117.89
	Mrs. Malti Bhindi	President	122.01	113.54
	Shri. Saatvik Jain	President	120.78	113.72
	Shri.Vimal Jain	Chief Financial Officer	55.85	45.15
	Smt.Jigna Karnick	Dy. Company Secretary	11.10	9.13
		Total	1,108.84	1,064.68

NOTE NO. 34:

Sales Tax Assessments of Dhrangadhra Unit are pending for 1994-95, 1995-96, 1997-98, 2004-05, 2005-06 and 2011-12 to 2014-15. In respect of Sahupuram Unit Central Sales Tax Assessments and Tamil Nadu General Sales tax assessment are completed up to 2010-11.

NOTE NO. 35:

Financial Derivative Instruments

- a. Derivative contracts entered into by the Company and outstanding as on 31st March, 2016 for Hedging currency and interest related risks

Nominal amount of derivative contracts entered by the company and outstanding as on 31st March, 2016 amount to US\$ NIL. (Previous year US\$ 3.61 mn.) Category wise break up is given below:

Sr. No.	Particulars	31st March, 2016 US\$ Mn	31st March, 2015 US\$ Mn
1	Interest Rate Swaps	--	0.14
2	Currency Swaps	--	3.47

- b. Foreign Currency payables and receivables that are not hedged by derivative instruments as on 31st March, 2016, amount to US\$ 40.72 mn. (Previous year US\$ 40.44 mn.)
- c. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses



NOTES FORMING PART OF THE BALANCE SHEET

NOTE NO. 36:

- a. Based on the report of a chartered engineer, the Company is of the view that the Company does not have significant component whose useful life is different from the useful life of the main asset.
- b. During the year the Company has changed the accounting policy with regard to export benefits such as MEIS LICENCE from receipt basis to accrual basis. This change has resulted in increase in the profit for the year by Rs. 45 lacs with corresponding increase in the Reserves & Surplus.

NOTE NO. 37:

- a. The Company has during the year capitalised Calcium Chloride plant at Soda Ash division.
- b. The Company has commenced commercial production in the Synthetic Iron Oxide Pigment (SIOP) Plant during the year and obtained Letter of Permission which is valid up to 20.05.2020 from the Government of India, Ministry of Commerce and Industry for manufacture and export of Synthetic Iron Oxide Pigment and Calcium Chloride under 100% EOU Scheme. The Company has started producing Calcium Chloride at SIOP Plant from May 2016.

NOTE NO. 38:

a. The Tamil Nadu Government vide Government order dated 23-09-1996 issued under TamilNadu 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 captively. The Supreme Court vide order dated 15th May, 2007 held that the withdrawal of the permanent exemption by the Act of 2003 was invalid. In November, 2007 the TamilNadu government passed the TamilNadu tax on consumption or Sale of Electricity (Amendment) Act, amending the Act of 2003 to invalidate the permanent exemption granted with retrospective effect. The writ petition filed by the company against this amendment has been dismissed by the Madras High Court. The SLP filed by the company against the High Court Order has been admitted by the Supreme Court.

The Electrical Inspectorate, Government of Tamil Nadu's vide letter dated 2nd September 2014 informed the Company that the electricity tax exemption would not be applicable to the Company and demanded Electricity Tax of Rs.2026.72 lacs and interest of Rs.1541.98 lacs for the period 2003 to 2012. The Company has filed writ petition before the Hon'ble High Court of Judicature at Madras and has also obtained interim stay of the said demand vide Order dated 22nd September, 2014 on payment of Rs.640 lacs towards pre-deposit.

The Special Leave Application filed before the Hon'ble Supreme Court and the writ petition filed before the Hon'ble Madras High Court are pending for adjudication.

The company has been legally advised and is hopeful of favourable outcome before the Supreme Court on the invalidity of and the retrospective application of the Amending Act of 2003 and in the writ petition filed before the Hon'ble Madras High Court. An amount of Rs.422.69 lacs has been provided on a prudent basis in the earlier financial year. No provision is considered necessary by the management for the balance electricity tax demand and has been disclosed as contingent liability.

b. 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.

c. The Commissioners of Customs, Tuticorin and Kandla during the year issued Order rejecting the classification of coal imported by the company during the year 2011 and 2012 as Steam Coal and reclassified the same as Bituminous Coal and demanded differential duty of Rs.1311.31 lacs along with applicable interest of Rs.341.34 lacs and imposed penalty of Rs.1309 lacs. The Company has filed appeal with CESTAT against the said Orders. The appeal is pending with CESTAT. The Company has been legally advised that it has a fair chance of winning the case before CESTAT. Accordingly no provision has been made in the accounts and has been disclosed as contingent liability.

d. 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.

NOTES FORMING PART OF THE BALANCE SHEET



e. In the matter of Export Duty on Upgraded Benefited Ilmenite classification dispute, the Company has given an undertaking to remit the disputed duty in case; the dispute is decided against the Company by the highest judicial forum. As at 31st March 2016 the duty liability is Rs.1971.01 Lacs. Since the Company has got the favourable order from the adjudicating authority in some other shipments made by the Company, relating to the same period, the possibility of outflow of resources in this matter is considered remote.

f. In the matter of disputed demand of Rs.443.40 lacs consequent to revision in the lease rent rates fixed by the Tariff Authority for Major Ports (TAMP) from 2006 to 2016 in respect of the port lands taken on lease by the Company from the V. O. Chidambaranar Port Trust, the Company has obtained interim stay from the Honourable High Court of Judicature at Madras vide order dated 01.08.2014. Accordingly no provision is considered necessary by the Management for the same and has been disclosed as Contingent Liability.

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 31st March 2016	As at 31st March 2015
Principal amount due and remaining unpaid	113.05	131.90
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 1st 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:

(Rs. In Lacs)

Particulars	As at 31st March 2016	As at 31st March 2015
Provident Fund	389.29	399.00
Superannuation Fund	202.93	182.44
Employees' Pension Scheme, 1995	239.21	189.41

The Rules of the Company's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest of 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

		Gratuity Funded Rs. Lacs	Leave Wages Non-Funded Rs. Lacs
1	Change in Benefit Obligation		
	Liability at the beginning of the year 1st April' 2015	2707.94 (2,475.47)	1078.25 (966.46)
	Interest cost	216.91 (223.29)	86.37 (87.17)
	Current Service Cost	119.03 (100.52)	96.40 (82.78)
	Benefit Paid	-162.03 (-)(421.33)	-39.56 (-)(35.08)
	Actuarial (gain)/ Loss on obligation	-10.45 (205.86)	-41.77 (-)(23.08)
	Liability at the end of the year	2871.39 (2,583.81)	1179.69 (1,078.25)
2	Changes in the Fair Value of Plan Assets		
a)	Present Value of Plan Assets as at 1st April, 2015	2557.33 (2,472.10)	- (-)
b)	Expected Return on Plan Assets	204.84 (215.07)	- (-)
c)	Actuarial (Gain)/Loss	8.30 (-)(1.83)	- (-)
d)	Employers' Contributions	0.92 (-)	- (-)
e)	Benefits Paid	-9.67 (-)(128.01)	- (-)
f)	Present Value of Planned Assets as at 31st March, 2016	2761.72 (2,557.33)	- (-)
3	Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets		
a)	Present Value of Defined Benefit Obligation as at 31st March, 2016	-2871.39 (-)(2583.81)	-1179.69 (-)(1078.25)
	Fair Value of Plan Assets as at 31st March, 2016	2761.72 (2,557.33)	- (-)
	Net Liability recognized in the Balance Sheet as at 31st March, 2016	-109.67 (-)(26.48)	-1179.69 (-)(1078.25)
4	Expenses Recognized in the Profit and Loss Account		
a)	Service Cost	119.03 (100.52)	96.40 (82.78)

NOTES FORMING PART OF THE BALANCE SHEET



		Gratuity Funded Rs. Lacs	Leave Wages Non-Funded Rs. Lacs
b)	Interest Cost	12.06 (8.21)	86.37 (87.17)
c)	Expected Return on Plan Assets	(-)204.84 (-)(215.07)	- (-)
d)	Curtailement Cost/(Credit)	- (-)	- (-)
e)	Settlement Cost/(Credit)	- (-)	- (-)
f)	Net Actuarial (Gain)/Loss	(-)18.75 (207.70)	(-)41.77 (-)(23.08)
	Total Expenses recognized in the Profit and Loss A/c	112.34 (316.43)	141.00 (146.87)
5	Actual Return on Plan Assets		
	Estimated Contribution to be made in the next annual year		
	The Composition of Plan Assets : i.e. Percentage of each Category of Plan Assets to Total Fair Value of Plan Assets as at 31st March, 2016		
a)	Govt of India Securities	- (-)	- (-)
b)	Corporate Bonds	- (-)	- (-)
c)	Special Deposit Scheme	- (-)	- (-)
d)	Equity Shares of Listed Companies	- (-)	- (-)
e)	Property	- (-)	- (-)
f)	Insurance Managed Funds	2761.72 (2557.33)	- (-)
g)	Others	- (-)	- (-)
	Total	2761.72 (2557.33)	- (-)
6	Actuarial Assumptions		
	Retirement age	58	58
	Discount rate	7.56% (8.01%)	7.56% (8.01%)
	Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	
	Withdrawal rate	2% (2%)	
	Salary escalation	4% (4%)	



NOTES FORMING PART OF THE BALANCE SHEET

NOTE 41

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

Value - Rs. In lacs

PARTICULARS	Op Stock	Closing Stock	Sales
	As on 1st April '15	As on 31st March '16	2015-16
DHARANGADHRA UNIT			
Soda Ash	168 (158)	254 (168)	17,353 (16,849)
Soda Bicarbonate	127 (131)	121 (127)	4,484 (4,584)
Ammonium Bicarbonate	5 (2)	- (5)	142 (129)
Detergent	2 -	3 (2)	9 (11)
Salt Finished Goods	17 (19)	15 (17)	- -
SAHUPURAM UNIT			
Caustic Soda Lye	415 (756)	243 (415)	21,287 (20,962)
Caustic Soda Solid	15 (13)	- (15)	40 (31)
Caustic Soda Flakes	190 (138)	143 (190)	2,445 (2,397)
Sodium Hypochlorine	- -	- -	102 (127)
Hydrochloric Acid 100%	4 (2)	3 (4)	(108) (-)(109)
Liquid Chlorine	2 (2)	1 (2)	105 (283)
Trichloroethylene	116 (99)	86 (116)	3,026 (2,247)
Upgraded Ilmenite	1,288 (4,465)	265 (1,288)	19,385 (15,588)
Utox	200 (100)	234 (200)	1,011 (1,017)
Ferrie Chloride	6 (14)	3 (6)	115 (269)
Yellow Iron oxide	7 (7)	6 (7)	127 (163)
PVC Resin	927 (1,891)	544 (927)	65,021 (67,156)
SIOP YELLOW	-	647	355
SIOP RED	-	851	636
CPVC/LPO	-	-	2
SPARES (Traded Goods)	- -	- -	6 (14)
Sale of Power - Windmill	-	-	1,345 (1,488)
TOTAL	3,489	3,419	136,888
Previous Year	(7,797)	(3,489)	(133,206)

NOTES FORMING PART OF THE BALANCE SHEET



b) Expenditure in Foreign Currency	2015-16	2014-15
i) Know-how fees	-	95.44
ii) Consultant fees	568.66	106.31
iii) Others	1,618.25	1,779.36
c) Earnings in Foreign Exchange		
i) Export on f.o.b. basis	17,060.73	15,226.03
ii) Others	12.31	4.17
d) Consumption of imported/indigeneous Raw Materials Stores and Spares at Landed Cost		
Raw Material - Imported	50,375.23	54,478.90
Indigeneous	14,091.87	11,167.43
Stores and Spare parts (Including Consumption for Capital jobs & fuel Oil/Coal)		
Imported	14,950.42	16,320.87
Indigeneous	9,726.18	6,062.32
e) Value of Imports on c.i.f. basis		
i) Raw Materials	51,364.46	45,468.05
ii) Fuel Oil/Coal	9,646.63	16,055.97
iii) Stores and Spare parts	160.30	787.99
iv) Capital Goods	1,289.65	162.29

NOTES FORMING PART OF THE BALANCE SHEET

Value - Rs. In lacs

f) Raw Materials Consumed :	2015-16	2014-15
Salt	1,902	2,741
Ilmenite Sand	6,351	6,135
Calcium Carbide	1,486	1,385
Vinyl Chloride Monomer	44,701	48,195
Lauryl Peroxide	122	141
Quick Lime	353	-
Limestone	2,286	2,430
Coke	1,800	2,053
Coal	13,567	15,114
Ammonia	307	149
Others	4,014	2,418
Consumption of own manufactured products and Intermediates	1,143	990

NOTE NO. 42: Earning per share (EPS) as per Accounting Standard - 20

	2015-16 Rs. Lacs	2014-15 Rs. Lacs
Profit/ (Loss) after Tax	1,854.59	(592.17)
No. of Equity shares of Rs.2 each outstanding as on 31.3.2016	21,96,81,407	21,34,94,657
Weighted Average Number of Equity Shares Outstanding during the year		
For Basic	21,96,81,407	21,34,94,657
For Diluted*	21,96,81,407	21,34,94,657
EPS (Rs.)		
Basic	0.86	(0.28)
Diluted	0.86	(0.28)

* Since the exercise price of Share Warrants issued during the year (both converted and outstanding at the end of the year) was more than the fair value of shares, the same are not dilutive and hence have not been considered for calculation of diluted earnings per share.

NOTES FORMING PART OF THE BALANCE SHEET



NOTE NO. 43 :
Segment Information for the year 2015–2016:

	CAUSTIC	SIOP	PVC	SODA ASH	OTHERS	TOTAL
Segment Revenue						
External Revenue	48,036.28	731.10	57,725.87	19,583.27	1,353.67	127,430.19
	(45,198.71)	-	(59,836.38)	(19,458.95)	(1,496.89)	(125,990.93)
Segment Result	4,574.21	-2,048.44	1,497.70	3,960.99	704.21	8,688.67
	-(2806.66)	-	-(451.34)	(3,789.84)	(857.05)	(1,388.89)
Add : Unallocated Corporate Income						-
	-	-	-	-	-	(3.29)
Less:						
Finance charges						5,797.09
	-	-	-	-	-	(1,868.72)
Current Tax (Net of MAT Credit Entitlement)						33.00
	-	-	-	-	-	(237.82)
Deferred Tax						1,003.98
	-	-	-	-	-	-(122.19)
Net Profit						1,854.60
	-	-	-	-	-	-(592.17)
Segment Assets	56,024.30	57,958.05	43,600.92	21,702.27	11,326.90	190,612.44
	(116,764.47)	-	(34,024.82)	(21,358.31)	(11,702.55)	(183,850.15)
Add :Unallocated Corporate Assets						859.93
	-	-	-	-	-	(785.59)
Total	56,024.30	57,958.05	43,600.92	21,702.27	11,326.90	191,472.37
	(116,764.47)	-	(34,024.82)	(21,358.31)	(11,702.55)	(184,635.74)
Segment Liabilities	10,155.73	34,903.58	49,781.94	1,890.54	22,934.30	119,666.09
	(52,913.12)	-	(45,352.78)	(1,873.42)	(17,019.26)	(117,158.58)
Add :Unallocated Corporate liabilities						12,471.86
	-	-	-	-	-	(11,467.87)
Total	10,155.73	34,903.58	49,781.94	1,890.54	22,934.30	132,137.95
	(52,913.12)	-	(45,352.78)	(1,873.42)	(17,019.26)	(128,626.45)
Capital Expenditure						15,368.85
	-	-	-	-	-	(15,980.44)
Depreciation	3,167.52	1,837.08	529.98	585.82	501.26	6,621.66
	(3,655.64)	-	(372.49)	(670.73)	(501.31)	(5,200.18)

NOTE NO. 44:

Expenditure incurred on Corporate Social Responsibility (CSR) activities:

- (a) Gross amount required to be spent during the year is Rs. 142.00 Lacs
(b) Amount spent during the year:

Sl. No.	Particulars	In Cash	Yet to be paid in Cash	Rs. In Lacs	
				31.03.16	31.03.15
1	Construction/acquisition of any asset	-	-	-	-
2	Other purposes other than above	68.04	-	68.04	63.60

NOTE NO. 45:

Previous year figures are regrouped to match with current years grouping.

DIRECTORS'S REPORT

To the Shareholders

Your Directors present the 8th Annual Report of your Company together with the Audited Accounts for the year ended 31.03.2016.

1 Operations

The Company has not yet commenced its operations

2 Directors

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

3 Conservation of energy, Technology Absorption and Foreign Exchange earnings and outgo

As the Company has not commenced any operations, there is nothing to report on Conservation of energy, Technology Absorption and Foreign Exchange earnings and outgo.

4 Particulars of Employees

During the year no employee received remuneration in excess of the limits prescribed under section 197 of the Companies Act, 2013 and Rule 5(2) of the (Companies Appointment and Remuneration of Managerial Personnel) Rule 2014.

5 Director's Responsibility Statement

In terms of section 134 (3)(c) of the Companies Act, 2013, your Directors have:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments 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 and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for 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;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (g) Your Directors would like to bring to the notice of the share holders Note No.1, to the accounts regarding preparation of the financial statements on a reliable basis, instead of going concern basis, in the absence of any definitive business plans of the company in the foreseeable future.

6 Auditors

Shri. Pravin G. Kapadia Chartered Accountant Statutory Auditors of the Company retires at the forthcoming Annual General Meeting and are eligible for reappointment.

For and on behalf of the Board

Bakul Jain
Chairman

Place: Mumbai

Date: 24th May, 2016

Registered Office:

358, Anna Salai, Thousand Lights
Chennai - 600006, Tamil Nadu.

Independent Auditors' Report

To the Members of DCW Pigments Limited

Report on the Financial Statements

We have audited the accompanying financial statements of DCW Pigments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, with a summary of significant accounting policies and other explanatory information. The Statement of Profit and Loss and Cash Flow Statement have not been prepared for the year since the Company has not yet commenced any commercial operations during the year. (Refer Note.1 of Notes to Financial Statements)

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of The Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 from 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 financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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, on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 of the state of affairs of the Company as at 31st March 2016.

Emphasis of Matter

We draw attention to Note No.1, regarding the preparation of these financial statements on a realisable value basis, instead of going concern basis, in the absence of any definitive business plans of the Company in the foreseeable future. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet dealt with by this Report is in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) In our opinion and as the Company has not yet commenced any commercial operation during the year and since there is no fixed asset held alongwith considering the fact that there being no business activity carried out during the year, the Board of Directors of the Company feel that the requirement of Reporting with respect to the design, implementation and maintenance of adequate of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, as on 31st March 2016 is basically not applicable to the Company. (Refer Note No.2 of Notes to Financial Statements)
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts as on 31st March 2016; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There were no amounts in the Company's financial which were required to be transferred to the Investor Education and Protection Fund, by the Company.

Pravin G. Kapadia
Chartered Accountant

Proprietor
Membership No. 016776
Place: Mumbai
Date: 24th May 2016

Annexure to Independent Auditors' Report – 31 March 2016

(Referred to in our report of even date)

For Paragraph 3

Item no.

- (iii) In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to information and explanations given to us, the Company has no loans, investments, guarantees and security transactions including those covered under section 185 and 186 of the Act during the year. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (viii) According to the records of the Company examined by us and as per the information and explanations given to us, the Company has not availed of any loan from any financial institution, bank or Government and has not issued debentures.
- (ix) According to the information and explanations given to us, the Company has not raised any term loans during the year. The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) To the best our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year nor have we been informed of such case by the management.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the records of the Company and as per the information and explanations given to us, there is no transaction with related parties during the year. Accordingly, paragraph 3(xiii) of the Order is not applicable to the Company.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) According to information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

In our opinion and according to the information and explanations given to us, having regard to the fact that the commercial operations are yet to be commenced and there is no fixed asset held along with considering that there being no business activity carried out during the year, clauses (i),(ii),(vi),(vii),(xi) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

Pravin G. Kapadia
Chartered Accountant

Proprietor
Membership No. 016776
Place: Mumbai
Date: 24th May 2016

DCW Pigments Ltd.

Balance Sheet as at 31st March, 2016

(Amount in Rupees)

PARTICULARS	Note No.	31.03.2016	31.03.2015
EQUITY AND LIABILITIES			
SHAREHOLDERS FUND			
Share Capital	2	500,000	500,000
Application Money Recd by Issue of Share Warrant		-	-
Reserves and Surplus	3	-	-
		500,000	500,000
NON CURRENT LIABILITIES			
Deferred Tax Liabilities (Net)	4	-	-
Long Term Borrowings	5	-	-
Long Term Provisions	6	-	-
Trade Payables	7	-	-
		-	-
CURRENT LIABILITIES			
Short Term Borrowings	8	-	-
Trade Payables	7	-	-
Other Current Liabilities	9	6,000	6,000
Short Term Provisions	10	-	-
		6,000	6,000
Total		506,000	506,000
ASSETS			
Non Current Assets			
Fixed Assets			
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	179,289	172,266
		179,289	172,266
Current Assets			
Current Investments	16	-	-
Trade Receivables	17	-	-
Cash and Cash Equivalents	18	326,711	333,734
Short Term Loans and Advances	14	-	-
Other Current Assets	19	-	-
		326,711	333,734
Total		506,000	506,000
Significant Accounting Policies and Notes to Accounts	1		
Other notes to the Financial statements	2 to 19		

As per our report attached
Pravin G Kapadia

Chartered Accountant

Proprietor
Membership No. 016776
Place : Mumbai,
Date : 24 May, 2016

For and on behalf of the Board of Directors

Bakul Jain Vivek Jain Mudit Jain
Director Director Director

DCW Pigments Ltd.

Notes Forming a part of Financial Statements

Note 1: Significant Accounting Policies and Practices

- The Company is yet to commence its commercial operations. Considering no immediate future business plans the financial statements are not prepared on a going concern basis and accordingly, Current assets and Current liabilities are stated at the values at which they are realizable / payable. In view of the above, the statement of profit and loss and Cash Flow statement has not been prepared. The Company had net cash outflow of Rs. 0.07 lac during the year, being the decrease in balance with bank at the year end compared with the balance at the beginning of the year.
- As the Company has not yet commenced any commercial operation during the year and since there is no fixed asset held alongwith considering the fact that there being no business activity carried out during the year, the Board of Directors of the Company feels that the requirement of reporting with respect to the design, implementation and maintenance of adequate internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, as on 31st March, 2016 is basically not applicable to the Company.
- Since the Company has not commenced its commercial operations and there are no Fixed Assets held, other clauses are not applicable.
- Expenses incurred during the year are shown under the head "Other Non-Current Assets" in the Balance Sheet.
- Related party relationships on the basis of the requirements of Accounting Standard (AS) -18 is as identified by the company and relied upon by the auditors.

Name of the related parties	Nature of relationship
DCW Limited	Holding company
Sahu Brothers Pvt. Ltd., Jain Sahu Brothers Properties Pvt. Ltd., Dhrangadhra Trading Company Pvt. Ltd., Florida Holdings & Trading Pvt. Ltd.,	Entities in which key management personnel and / or their relatives have Significant influence.

- Previous years figures have been regrouped wherever necessary.

Note No. 2 SHARE CAPITAL Authorized Capital 100000 Equity Share @ Rs. 10 each	31-03-2016	31-03-2015
		1,000,000
	1,000,000	1,000,000
Issued, Subscribed and fully paid up Shares 50000 Equity Shares of Rs.10 Each	500,000	500,000
	500,000	500,000

2.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity Shares:	31-03-2016		31-03-2015	
	Nos.	Value	Nos.	Value
At the beginning of the period	50,000	500,000	50,000	500,000
Outstanding at the end of the period	50,000	500,000	50,000	500,000
2.2 Aggregate number of bonus shares issued, share issued for consideration other than cash (and shares bought back) during the period of five years immediately preceding the reporting date:	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL

Details of shareholders holding more than 5% share in the company Equity Shares:	31-03-2016		31-03-2015	
	Nos.	% Holding	Nos.	% Holding
M/s. DCW Limited	50,000	100	50,000	100

DCW Pigments Ltd.

Notes Forming a part of Financial Statements

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

	31-03-2016	31-03-2015
Note No. 3 RESERVE & SURPLUS	-	-
Note No. 4 DEFERRED TAX LIABILITY (NET)	-	-
Note No. 5 LONG TERM BORROWING	-	-
Note No. 6 LONG TERM PROVISION	-	-
Note No. 7 TRADE PAYABLES	-	-
Note No. 8 SHORT TERM BORROWINGS	-	-
Note No. 9 OTHER CURRENT LIABILITIES	6,000	6,000
Note No. 10 SHORT TERM PROVISION	-	-
Note No. 11 FIXED ASSETS	-	-
Note No. 12 NON CURRENT INVESTMENT	-	-
Note No. 13 DEFERRED TAX ASSETS (NET)	-	-
Note No. 14 LOANS AND ADVANCES	-	-
Note No. 15 OTHER NON-CURRENT ASSETS		
Preliminary Expenses	67,567	67,567
Pre- Operative Expenses	104,699	61,598
Opening Balance	7,023	43,101
Add: For the year	111,722	104,699
	179,289	172,266
Note No. 16 CURRENT INVESTMENT	-	-
Note No. 17 TRADE RECEIVABLE	-	-
Note No. 18 CASH & CASH EQUIVALENTS		
Cash In Hand	-	-
Balance With Banks:		
Punjab National Bank	326,711	333,734
	326,711	333,734
Note No. 19 OTHER CURRENT ASSETS	-	-

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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 SEVENTH ANNUAL GENERAL MEETING 2015-2016

NOTICE

NOTICE is hereby given that the 77th Annual General Meeting of the Members of DCW LIMITED will be held at 10.00 a.m. on Thursday, 29th September, 2016 at the Registered Office of the Company (at Guest House No. 2) at Dhrangadhra - 363 315, Gujarat State, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements for the year ended 31st March, 2016 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri P.K. Jain, (DIN: 00380458) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and in this connection, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration No. 109208 W) Mumbai, the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be agreed upon by the Board of Directors and the Auditors plus applicable Service Tax and 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.

SPECIAL BUSINESS:

4. Reappointment of Shri. Vivek Jain (DIN: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 re-enactment thereof for the time being in force, approval of the shareholders of the Company be and is hereby accorded to the reappointment of Shri. Vivek Jain (DIN:00502027), as Managing Director of the Company for a period of 3 years with effect from 1st March, 2017 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: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: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: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."



5. Reappointment of Shri. Mudit Jain (DIN: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 re-enactment thereof for the time being in force, approval of the shareholders of the Company be and is hereby accorded to the re-appointment of Shri. Mudit Jain (DIN:00647298), as Managing Director of the Company for a period of 3 years with effect from 1st March 2017 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: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: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:00647298) as Managing Director, the Company has no profits, or its profits are inadequate, Shri. Mudit Jain (DIN: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."

6. To approve remuneration payable to cost auditors R. Nanabhoy & Co. and N. D. Birla & Co. for the Financial year ending March 31, 2017.

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with 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 as set out in the Explanatory Statement annexed hereto to M/s. Nanabhoy & Co. and N. D. Birla & Co. the Cost Auditors of the Company appointed by the Board of Directors at their meeting held on May 25, 2016, to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2017;

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

7. To consider and determine the fees for delivery of any document through a particular mode of delivery to a member and in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 20 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder, upon receipt of a request from a member for delivery of any document through a particular mode an amount of Rs.50/- (Rupees Fifty Only) per each such document, over and above reimbursement of actual expenses incurred by the Company, be levied as an by way of fees for sending the document to him in the desired particular mode.

RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member in advance to the Company, before dispatch of such document.

FURTHER RESOLVED THAT for the purpose of giving effect to this Resolution, the Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance."

By Order of the Board of Directors

Jigna Karnick
Dy. Company Secretary

Mumbai, 13th August, 2016
Registered Office :
Dhrangadhra - 363 315 Gujarat.



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 Tuesday, 20th September, 2016 to Thursday, 29th September, 2016, 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 77th Annual General Meeting of the Company inter alia indicating the evoting 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 77th 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. Pursuant to Sections 205C of the Companies Act, 1956 the dividend amount remaining unclaimed for a period of 7 years shall be transferred to the investor education protection fund. Thereafter member shall not be able to register their claim in respect of their unencashed dividend. Pursuant to Section 124(6) of the Companies Act 2013 as and when notified by Ministry of Corporate Affairs all shares in respect of which unpaid or unclaimed dividend has been transferred to Investor Education and Protection Fund are required to be transferred to said Fund. Members who have not yet encashed their dividend warrants for the Financial Year ended on March 31, 2009 and onwards are advised to make their claims without any further delay 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) and also on the website of the Ministry of Corporate Affairs.
Accordingly, the Company has transferred all the unclaimed dividends declared till the year 2007-2008 to the said Fund.
Members who have not encashed their dividend warrants for the financial year ended March 31, 2009 onwards 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.
9. Members are requested to bring their copy of Annual Report to the Meeting.
10. 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.
11. 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.
12. Members may also note that the Notice of 77th Annual General Meeting and the Annual Report for the Financial Year 2015-16 will also be available on the Company's website www.dcwlimited.com for download.
13. Profile of Director seeking re-appointment

Shri P.K. Jain is a Director of the Company since 1992. He is a B.A. (Hon.) Economics and has an experience of 57 years in the industry. He was appointed as the Managing Director of the Company in the year 1996 and is also Chairman of the Board since 2014. He is overall incharge of the operations of the Company. Shri Bakul Jain, Shri Mudit Jain and Shri Vivek Jain, Managing Directors are related to Mr. P.K. Jain although they are not relatives as per Section 2(77) of the Companies Act, 2013.



14 Voting through electronic means

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is

pleased to provide members facility to exercise their right to vote by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Services (India) Limited (NSDL).

15. The instructions for Members for voting electronically are as under:

INSTRUCTIONS FOR E-VOTING

The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolutions placed by the Company on e-Voting system.

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or www.dcwlimited.com of the e-voting period commences on Monday, 26/9/2016 at 10 a.m. and ends on Wednesday, 28/9/2016 at 5.00 p.m.

During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting rights of members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company as on the cut-off date of Thursday, 22/9/2016. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22/9/2016 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or www.dcwlimited.com

The facility for voting through Polling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.

The procedure to login e-voting website is given below

- i. Open the attached PDF file "e-Voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:
- ii. Launch the internet browser by typing the following <https://www.evoting.nsdl.com/>
- iii. Click on "Shareholder-Login":
- iv. Put user ID and Password noted in step (A) 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. if you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com
- v. 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.
- vi. Home page of "e-voting" opens. Click on "e-voting": Active Voting Cycles.
- vii. 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.
- viii. Now you are ready for "e-voting" as "Cast Vote" Page opens.



- ix. Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Kindly note that vote once cast cannot be modified.
- x. 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 with a copy marked to evoting@nsdl.co.in.
- xi. Once the vote on a resolution is cast by the shareholder she/he shall not be allowed to change it subsequently
- xii. 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.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in

Please Note the following

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to Vote again at the AGM.

A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of Ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer, after scrutinising the votes cast at the meeting (Insta Poll) and through remote e-voting will not later than three days of the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with consolidated scrutinizer's Report shall be placed on the website of www.dcwlimited.com and the website of <https://www.evoting.nsdl.com>. The result shall simultaneously be communicated to the Stock Exchange

In case a Member receives physical copy of the Notice of the 77th AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting Physical Copy]

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the 77th AGM:
EVEN (E-Voting Event Number) USER ID PASSWORD/PIN
- (ii) Please follow Sl. No.(I) to Sl. No. (xi) above to cast vote.
- I. 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.nsdl.com
- II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote
- III. 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).
- IV. 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.



Annexure to the Notice

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("the Act")

Item no. 4

Shri. Vivek Jain (DIN:00502027) is in charge of the PVC division of the Company and has been with the Company since 1st September, 1984. Mr. Vivek Jain has been appointed as Managing Director of the Company for a period of 3 years with effect from 1st March, 2014 as per the approval accorded by the members of the company at the Annual General Meeting held on 13th August, 2014. In terms of proviso to Section 196(2) of the Companies Act, 2013 a Managing Director can be re-appointed within one year before the expiry of his present term.

The Board of Directors at their meeting held on 13th August, 2016 re-appointed Mr. Vivek Jain as Managing Director for a period of 3 years commencing from 1st March, 2017 on the terms and conditions as detailed below subject to the approval of the shareholders of the Company at the forth coming Annual General Meeting. The Nomination and Remuneration Committee of the Board approved the payment of the said remuneration to Shri Vivek Jain by passing a resolution at their meeting held on 13th August, 2016. The remuneration approved by the Nomination and Remuneration Committee and the Board 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 detailed terms and conditions of re-appointment and remuneration payable to Shri Vivek Jain as Managing Director are as follows:

(a) **Period** : 3 years with effect from 1st March 2017.

(b) **Remuneration**

(i) **Salary** : Rs. 10,00,000/- per month.

(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 Whole - time Directors of the Company in that year.

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. 1,20,00,000/- per annum or Rs. 10,00,000/- per month 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 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. 4 for your approval.

Shri Vivek Jain is interested in the Resolution, since it pertains to his re-appointment as Managing Director. Relatives of Shri. Vivek Jain may be deemed to be interested in the resolution set out at Item no. 4 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. 5

Shri. Mudit Jain (DIN: 00647298) is in charge of the Caustic Soda Division and also oversees the marketing operation of the Beneficiated Ilmenite unit of the Company. He is with the Company since 1989. Mr. Mudit Jain has been appointed as Managing Director of the Company for a period of 3 years with effect from 1st March, 2014 as per the approval accorded by the members of the Company at the Annual General Meeting held on 13th August, 2014. In terms of proviso to Section 196(2) of the Companies Act, 2013 a Managing Director can be re-appointed within one year before the expiry of his present term.

The Board of Directors at their meeting held on 13th August, 2016 re-appointed Mr. Mudit Jain as Managing Director for a period of 3 years commencing from 1st March, 2017 on the terms and conditions as detailed below subject to the approval of the shareholders of the Company at the forth coming Annual General Meeting. The Nomination and Remuneration Committee of the Board approved the payment of the said remuneration to Shri Mudit Jain by passing a resolution at their meeting held on 13th August, 2016. The remuneration approved by the Nomination and Remuneration Committee and the Board 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 detailed terms and conditions of re-appointment and remuneration payable to Shri Mudit Jain as Managing Director are as follows:

(a) **Period** : 3 years with effect from 1st March, 2017.

(b) **Remuneration**

(i) **Salary** : Rs. 10,00,000/- per month.

(ii) **Perquisites** :

In addition to his 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.1,20,00,000/- per annum or Rs.10,00,000/- per month 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 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 at item no. 5 for your approval.

Shri Mudit Jain is interested in the Resolution, since it pertains to his re-appointment as Managing Director. Relatives of Shri. Mudit Jain may be deemed to be interested in the resolution set out at Item no. 5 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.4 and 5 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..

- (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	2013-14	2014-15	2015-16
Total Revenue	1,32,686.63	1,25,631.72	1,27,430.18
Total Expense	1,27,467.26	1,26,048.10	1,24,538.62
Profit/Loss After Tax	3,787.94	-592.17	1,854.58
Dividend Rate	18%	NIL	NIL



(5) Foreign Investments or collaborators, if any.

The foreign holding in the Company as on 31/03/2016 is 10.77% 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 –

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.

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.

(2) Past remuneration

Salary, Perquisites, Commission and minimum remuneration in case of loss or inadequacy of profit and other terms and conditions were same for Mr. Vivek Jain and Mr. Mudit Jain as is now proposed to be paid on their re-appointment effective from 1st March, 2017 as detailed herein.

(3) Recognition / awards

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

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.

(4) Job Profile and his suitability.

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.

Shri Mudit Jain - Shri Mudit Jain is in charge of the Caustic Soda Division and also overseas the marketing operation of the Beneficiated illmenite 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.

(5) Remuneration Proposed -

Name of the Director	Proposed Salary per month (Rs.)	Perquisites Per annum
Shri Vivek Jain	10,00,000/-	12,00,000*
Shri Mudit 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 except for the loss of Rs.5.92 crores for the year ended 31/3/2015. 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. 6:

The Board, on the recommendations of the Audit Committee, has approved the re-appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017, details of which are set out below:



Sr. No	Name of the Cost Auditor	Industry	Audit Fees (Rs.)
1	Nanabhoy & Company	Chemicals (Caustic Soda)	85,000/- (Rupees Eighty Five Thousand only)
2	N. D. Birla & Company	Chemicals (Soda Ash)	55,000/- (Rupees Fifty Five Thousand only)

Company Accordingly, consent of the Members is sought for passing an Ordinary resolution as set out at item No. 6 of the Notice for payment of remuneration to the Cost Auditors for the financial year ending on March 31, 2017.

None of the Directors/Key Managerial Personnel their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set forth in the Item No. 6 of the Notice for approval of the members

Item No. 7:

As per the provisions of Section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting. Therefore, to enable the members to avail this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the Resolution.

Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors accordingly commend the Ordinary Resolution at item no. 7 of the accompanying Notice, for the approval of the members of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at item no.7 of the accompanying Notice.

Mumbai, 13th August, 2016

By Order of the Board of Directors

Registered Office :

Dhrangadhra - 363 315

Gujarat.

Jigna Karnick

Dy. Company Secretary