



2016-2017
78th 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.

78th
Annual Report
2016 – 2017



Directors' Report

TO THE MEMBERS

Your Directors present their 78th Annual Report and Audited Financial Statements for the Financial Year ended 31st March, 2017 -

1. Financial Results

	31-03-2017 (Rs. in lakhs)	31-3-2016 (Rs. in lakhs)
Gross Sales	1,30,491.45	1,39,879.50
Gross Profit	9,294.21	9,574.75
Less : Provisions		
Depreciation	6,792.91	6,897.42
Profit Before Tax/(Loss)	2,501.30	2,677.33
Tax: Current Period	485.00	650.00
Previous Period	15.00	-
MAT Credit available for set off / Utilized	(475.00)	(617.00)
	25.00	33.00
Profit/(Loss)After Current Tax & Tax Adjustments	2,476.30	2,644.33
Deferred Tax	461.57	932.24
Profit after Tax/(Loss)	2,014.73	1,712.09
Add: Balance brought forward	13,671.41	11,959.32
Profit available for Appropriation	15,686.14	13,671.41
Appropriations:		
General Reserves	-	-
Proposed Dividend	-	-
Dividend Distribution Tax	-	-
Balance carried forward	15,686.13	13,671.41

2. Dividend:

Due to lower profits on the operations of the company, during the year and to conserve cash required for the operations 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.1304.91 crores compared to Rs. 1398.80 crores in the previous year. The profit for the year (before depreciation) was Rs.92.94 crores against a profit of Rs. 95.75 crores in the previous year. The profit before tax amounted to Rs.25.01 crores as against profit of Rs. 26.77 crores in the previous year. The profit after provision of current tax / taxes for the year is Rs.24.76 crores against a profit of Rs.26.44 crores of the previous year and profit after deferred tax was Rs. 20.15 crores against profit of Rs.17.12 crores for previous year.

4. Exports:

The Company's exports were of **Rs.165.98** crores as compared to **Rs 177.53** crores in the previous year.

5.1 Division wise Performance :

a) PVC Division:

The turnover of the division was Rs.658.17 crores as compared to Rs.648.93 crores in the previous year. 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 for PVC Resin.

b) Caustic Soda Division:

The turnover of the division was Rs. 413.92 crores as compared to Rs.508.68 crores in the previous year, a reduction of 18.62%. The decrease in turnover of the division is mainly on account of shortage of water due to near draught condition in Tamilnadu and strike of workers lasting about 18 days in Sahapuram Works during the year.

c) Soda Ash Division:

The turnover of the division was Rs. 193.66 crores as compared to Rs.217.77 crores of the previous year, a reduction of 11.07%. The decrease in Turnover was due to shut down of the plant for more than one month for repairs and maintenance during the year. The working of this division is stable and the demand in this segment is consistent. Also looking to the demand and supply position in coming years and no major new 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 2016-17 and the date of this Report.

5.3 DCW Pigments Limited ceased to be a Subsidiary /Associate Company of the Company during the year.

6. PROJECTS IMPLEMENTED

Chlorinated Poly Vinyl Chloride (C-PVC) Project.

The Company's Chlorinated Poly Vinyl Chloride (C-PVC) Plant at its Sahapuram Facility in Tamilnadu set up with Technology from Arkema of France had commissioned during the year and has since stabilized. Your company is the first to manufacture C-PVC in India and this being import substitute will help the country save on valuable foreign exchange.

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 tonnes 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 demand from detergent and glass sector. India is exporting soda ash to South East Asian countries.

7.1.3 PolyVinyl Chloride (PVC)

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 less as compared with developed countries.

Total domestic installed capacity of PVC industry is 1.35 Mill.TPA, The domestic demand of PVC is about 2.65 Mill. TPA. The shortfall of 1.3 Mill.TPA in supply is 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 for 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.

7.3 Segment-wise or product-wise performance.

7.3.1 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, due to increased demand from alumina manufacturers. The Company has captive use of HCL & Chlorine which helps to maintain Caustic Production at full level.

7.3.2 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.

7.3.3 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 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.

7.3.4 Synthetic Iron Oxide Pigment Division:

With starting of Synthetics Iron Oxide Pigment (SIOP) Division, the company entered into speciality chemical business. The plant was under stabilisation stage and has since started production. This plant has been established with company's patented technology and technological help from Huntsman pigments (formerly Rockwood Pigments). This plant will consume leach liquor generated from Synthetic Rutile plant and will help in reducing pollution. This division once fully operational will give more stability to the bottom line.

7.3.5 C-PVC :

The new C-PVC Plant which was commissioned and has since stabilized is a speciality chemical and your company is first in India to manufacture C-PVC domestically. At present entire C-PVC demand is being met by way of imports. This plant will help the country to conserve foreign exchange and also will help the country to move towards Make in India. This product being speciality chemical it needs to pass acceptability tests by the user industry. The product has since stabilized and company will be able to achieve full production in this plant by second half of the year.

7.4 Outlook :

The Company has diversified operations with three major business segments viz. PVC, Chlor 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 speciality 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

The Gross Revenue of the Company for the year was Rs.1,304.91 crores against the gross revenue of Rs.1,398.79 crores of the previous year. The Profit Before Tax was Rs.25.01 crores compared to Rs.26.77 crores of the previous year. Water shortage at Sahupuram Works due to near draught condition in Tamilnadu, workers strike in Sahupuram Works lasting about 18 days and shut down of Soda Ash Plant at Dhrangadhra, Gujarat for a period of about one month for repairs and maintenance during the year has caused decrease in revenue and profitability of the Company.

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. However there was strike at Sahupuram Works, Tamilnadu by workers lasting about 18 days during the year relating to wage settlement which was finally amicably resolved. Number of permanent employees have been mentioned hereinafter.

7.9 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) of the Companies Act, 2013 Mr. Vivek Jain (DIN No.00502027) 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.

The Independent Directors have submitted the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section (6) and there has been no change in the circumstances which may affect their status as independent director during the year.

C. Performance Evaluation -

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Performance evaluation of the Board was carried out during the year under review and a structured questionnaire was prepared 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, Board of Directors as a whole and also evaluated the performance of the chairman taking into consideration the views of Managing Directors and Non-Executive Directors. The Independent Directors in the said meeting also assessed the quality, quantity and timeliness of flow of information between the management of the Company and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties. The Board of Directors have also evaluated its own performance and that of its Committees and individual Directors.

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. The 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	32.34
Shri Bakul Jain	32.34
Shri Mudit Jain	32.34
Shri Vivek Jain	32.34

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	0.41 %
Shri Bakul Jain - Managing Director	0.41 %
Shri Mudit Jain - Managing Director	0.41 %
Shri Vivek Jain - Managing Director	0.41 %
Shri Vimal Jain - Chief Financial Officer	8.95 %
Ms. Jigna Karnick - Company Secretary	10.04 %

- c. The percentage increase in the median remuneration of employees in the financial year : 23 %
- d. The number of permanent employees on the rolls of Company : 1850
- e. 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 23% for employees other than Managerial Personnel and there was **0.41%** increase in the Managerial remuneration.

- f. 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. In terms of provisions of Section 139(2) of the Companies Act, 2013, M/s V.Sankar Aiyar & Co. ceases to be the Statutory Auditors on the conclusion of the forthcoming Annual General Meeting. M/s V.Sankar Aiyar & Co. has been associated with the Company for more than 7 decades and the Board has put on record their appreciation for the valuable service rendered by them during their long tenure.

M/s. Chhaged & Doshi is a well known, 54 years old, Chartered Accountants Firm. This Firm was established in 1964 by late Shri S.P.Chhaged who was President of Institute of Chartered Accountants of India. M/s Chhaged & Doshi has furnished certificate of their eligibility and given their consent under Section 141 of the Companies Act, 2013 and the Rules made thereunder. M/s. Chhaged & Doshi have also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI and have submitted copy of the Certificate dated 11th January 2017.

The members are requested to appoint M/s. Chhaged & Doshi, Chartered Accountants as Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the 83rd Annual General Meeting 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, 2017 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) Amendment 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 2016-17.

They have conducted Cost Audit for the financial year 2016-17 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 Annual General Meeting. They have also been appointed to do the cost audit of the said respective divisions for the year 2017-18:

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 2016-17 as required under section 204 of the Companies Act, 2013 and the rules thereunder. The Secretarial Audit report for financial year 2016-17 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. 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 2017 made under the provisions of Section 92 (3) of the Act in Form MGT-9 is annexed herewith as "**Annexure D**".

15. 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.

16. Transfer to Reserve

During the year under review, the Company has not transferred any amount to Reserve.

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 /SEBI (Listing obligations and Disclosure Requirements) 2015 and as determined by the Board. Meeting of each of these committees are convened by the respective Chairman of the Committees and minutes of each 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 risk and controls. Major risks identified by the businesses at 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 the 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 Control 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, Key Managerial Personnel, 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 update of various master data in the underlying ERP system.

19. Indian Accounting Standards (Ind AS)

As mandated by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") from 1st April 2016 with a transition date of 1st April 2015. The Financial Results for the year 2016-17 have been prepared in accordance with Ind AS, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other recognized accounting practices and policies to the extent applicable. The Financial Result for all the periods of 2016-17 presented have been prepared in accordance with Ind AS.

20. 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.

21. Particulars of loans, guarantees and investments.

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

22. 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.

23. Corporate Governance Report

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



24. 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.

25. 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.

26. Insurance

All the properties of the Company are adequately insured.

27. Industrial Relations:

Company's operations at its Sahupuram Works, Tamilnadu were halted during the period 4th February, 2017 to 22nd February, 2017 due to strike of the workers in connection with the dispute on the terms of Agreement with the Unions. Otherwise, relations between the employees and the management were cordial throughout the year.

28. Acknowledgements

The Board expresses its sincere thanks to all employees, customers, suppliers, investors, lenders, regulatory, and government authorities and stock exchanges for their co-operation and support and look forward to their continued support in future. 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: 30th May, 2017



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.
1	Shri Pramod Kumar Jain	Managing Director	13,738,996	B.A. (Hon.) Economics	58	01.04.1969	79	Sahu Brothers Pvt. Ltd.
2	Shri Bakul Jain	Managing Director	13,738,996	B.Com., MBA	33	01.09.1984	62	-
3	Shri Vivek Jain	Managing Director	13,738,996	B. Com, MBA	33	01.09.1984	58	-
4	Shri Mudit Jain	Managing Director	13,738,996	B. Com, MBA	27	01.04.1989	53	-
5	Shri Ashish Jain	Sr. President	13,384,866	B. Com, MBA	22	03.08.1995	46	-
6	Mrs. Paulomi Jain	President	13,384,189	B. Com	21	01.11.1996	54	-
7	Mrs. Malti Bhindi	President	13,159,866	B.A. (Economics)	17	01.10.2012	58	-
8	Mr. Saatvik Jain	President	12,926,116	B.S.B.A, (U.S.A)	18	01.03.2014	31	Cedar Management Consulting Institute.
9	Shri Amitabh Gupta	Sr. Vice President - Marketing	9,197,062	M.Sc.	44	15.07.1971	65	-
10	Dr. B.R. Singhvi*	Executive Vice President-Works	5,949,148	M.Sc. (phd)	12	01.03.2005	67	Saurashtra Chemicals

Notes :

- The gross remuneration shown above (subject to tax) comprise salary, Perquisites, Company's contribution to Provident Fund, Superannuation Fund and Gratuity Fund.
- * The gross remuneration comprises (subject to tax) salary, perquisites, Company's Contribution to Provident Fund, gratuity paid and leave salary as the employee was only for part of the year.
- The nature of employment of the Managing Directors are contractual.
- 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****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

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

To,

The Members,
DCW Limited
Dharangadhra
Gujarat - 363315

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

Based on my verification of the Company's books, papers, minute 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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March, 2017** 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 the Company as given in '**Annexure-I**' for the financial year ended on **31st March, 2017** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- 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; (The Company has not availed any Foreign Direct Investment Overseas Direct Investment and External Commercial Borrowings during the Period under review.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 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 to the Company during the financial year under review**)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not Applicable as 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**)
 - 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**) and
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- vi. **Other laws specifically applicable to the Company is:**
 - a) Explosive Act, 1884;
 - b) Hazardous Waste (Management and Handling) Rules, 1989;
 - c) Gas Cylinder Act, 1981.
 - d) Bureau of Indian Standards Act, 1986

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India

I have also examined the books, papers and returns filed and other records maintained by **DCW LIMITED** for the Financial Year ended on 31st March, 2017 according to the provisions of various other Laws applicable, including the Rules made thereunder, and amended from time to time, to the Company, as informed by the Company

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there are no material non-compliances that have come to our knowledge except to the extent as mentioned below

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors 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.

All decision at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the Meeting of the Board of Directors or Committee of the Board, as the case may be.

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 ensure compliances with the applicable Laws, Rules, Regulations and Guidelines.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

In case of Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act and Profession Tax Act, 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.

I further report that during the audit period the Company has the following specific events:

1. The Re-appointment of Mr. Vivek Jain (DIN:00502027) was reappointed as Managing Director of the Company for a period of three years with effect from 1st March, 2017 at the 77th Annual General Meeting held on 29th September, 2016.
2. The Re-appointment of Mr. Mudit Jain (DIN:00647298) was reappointed as Managing Director of the Company for a period of three years with effect from 1st March, 2017 at the 77th Annual General Meeting held on 29th September, 2016.
3. The approve remuneration payable to Cost Auditors R. Nanabhoy & Co. and N. D. Birla & Co. for the Financial Year ending 31st March, 2017.
4. The determine the fees for delivery of any document through a particular mode of delivery to a member pursuant to Section 20 and other applicable provision if any 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.
5. The Company has declared lock-out at its factory at sahurpuram, Tamilnadu at 9.30 P.M. on 10th February, 2017 which was lifted on 22nd February, 2017.

Date : 23/5/2017

Place : Mumbai

For S. K. Jain & Co

Dr. S. K. Jain

Practicing Company Secretary

FCS No.:1473

CP No.: 3076

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;



List of applicable laws to the Company

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

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, Tmilnadu.

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-II

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.
6. 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.

For S. K. Jain & Co

Date: 23/5/2017

Place: Mumbai

Dr. S. K. Jain
Practicing Company Secretary
FCS No.:1473
C.P. No.: 3076



ANNEXURE ' C '
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

Chlor-Alkali Plant

- 1) Recoating of 33 Nos. selective High Voltage element Anodes reduced standard voltage from 3.93 V to 3.46 V resulting in a saving of 325 KWH.
- 2) In Caustic Evaporation Cooling Water Pump 'A' Energy Saving Coating was applied resulting saving of 72 KWH per day.
- 3) Elimination of Condensate feed pump running hours in Fusion Plant for preparing Sugar solution has resulted in a power savings of 8 KWH per day.

Synthetic Rutile Plant

- 1) Replacement of 10 HP Pump with 5 HP Pump in new Lamella Feed Pump resulted in energy savings of 33,288 units per annum.
- 2) By replacing 3 nos. in-efficient motors with Energy Efficient motors in Digestor house – belt conveyor and in ring channel pump, resulted saving of 22,369 units per annum.
- 3) Providing energy efficient lighting arrangements in control rooms saved 28,128 units per annum.
- 4) Revamping of around 100 m² hot insulation in steam lines, carried out to avoid energy losses.

PVC Plant

- 1) VAM condensate pump motor replaced with energy efficient one and capacity reduced from 7.5 HP to 5 HP based on the operating scenario.
- 2) Energy efficient LED lights 30 nos. in place of CFL replaced in control rooms to conserve energy.
- 3) Cooling tower no.3 Aluminium blades were replaced with FRP blades to conserve energy and 14,280 units per annum saved.

Cogen Power Plant

- 1) De-aerator make up water pump with 55 KW motor capacity is replaced with lower capacity pump of 15KW towards Energy Conservation during low load operation.
- 2) Energy conservation activities carried out in Cooling Tower Fans by replacing the existing blades with new Aerofoil design.

Installation of Supermizers & Variable Frequency Drives

- 1) Operation of 166 Supermizers continuously in all plants resulted in an annual saving of about 20.49 lacs units.
- 2) Energy Conservation through operations of VFDs has resulted in a saving of 35.54 lacs units per annum.

Dhrangadhra

Steam & Fuel

- 1) INSTALLATION OF CENTRIFUGE TO REDUCE MOISTURE IN CRUDE BICARBONATE:

	BEFORE	AFTER INSTALLATION OF CENTRIFUGE
MOISTURE	18%	12%
STEAM CONSUMPTION MT/MT L	1.50	1.22 (REDUCTION OF 0.28 MT/MT SODA ASH)

Improved calcinations, low recycle ratio, calciner not affected by stream pressure variation etc.

- 2) CALCINER FLASH STEAM RECOVERY:

Single stage flash system, (25 Bar condensate to 2.40 bar steam) converted to double stage steam recovery to get 6 bar & 2.40 bar steam from calciner steam condensate.

Steam savings per day 11.9 MT

- 3) DISTILLER WASTE LIQUOR FLASH STEAM RECOVERY:

Recovery of 0.60 MT/HR of low pressure steam (2 bar) from hot distiller waste by flashing with motive steam through Steam Jet Ejector & Flash Vessel.



- 4) Reduction in deaerator steam in boiler due to steam reduction in boiler.
Improved steam condensate recovery from bicarb plant. Heat recovery from weak liquor condensate with new head exchanger.

Power:

Steam Turbine capacity improved to 3 MW from 2.85 MW after revamping and power to borewell supplied from captive turbine set. Power drawal reduced.
Rationalised the cooling tower pumps by switching over to improved pumps & efficient motors.
Installation of VFD in process pumps.
Rationalised VAC Pumps in filter area resulting in considerable power savings.
Replacement of mercury & sodium vapor lamps with metal halide.

II) 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

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

THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS:

An investment of Rs.30.07 lakhs were made for energy conservation which includes investment on energy conservation equipments.

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

Optimised the operation hours of Polishing filters without affecting quality and thereby Alpha Cellulose Consumption reduced from 533 Kgs /MT to 400 Kgs./MT.

PLC based software implemented for Chlorine Tonner movement and History tracing for improved safety and effective monitoring.

Synthetic Rutile

Coal is entirely substituted in place of Hard Wood Charcoal and significantly minimizing the cost of production of SR product.

PVC

Reduction in production cost achieved with new emulsifier tried in reactors and found successful, which has been continuously used in 2016-17.

To save the cost of packing, the existing HDPE bag with LDPE liner has been replaced with PP bags & HM HDPE liners for continuous usage in future.

Cogen Power Plant.

In house screening mechanism developed to segregate required size of coal for SR plant Roasters from imported coal of size 0-50 mm received for consumption in Cogen Power Plant. The segregated coal of size 3-8 mm is being consumed in our SR plant Roasters as a substitute fuel in place of charcoal.

III) INFORMATION REGARDING IMPORTED TECHNOLOGY.

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

There was no import of technology in the last 3 years

IV) EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT

- a. Capital : Rs. Nil
b. Recurring : Rs. 92.70 Lakhs

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earning : Rs. 157.69 Crores.

Foreign exchange outgo : Rs. 520.08 Crores.



Form No. MGT-9

Extract of Annual Return

as on the financial year ended on 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies

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.	Whether listed Company (Yes/No)	Yes
vi.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Limited, 1st Floor, Bharat Tinworks Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400 059. Tel.:022 - 626368200 Fax No. : 62638299 E-mail : investor@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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	31.56
2.	Soda Ash	20122	14.18
3.	PVC Resin	24134	50.55

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : NIL

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 01.04.2016				No. of shares held at the end of the year 31.03.2017				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	51372370	0	51372370	23.38	47850150	0	47850150	21.78	(1.60)
(b) Central Govt.	0	0	0	0.00	0	0	0	0	0.00
(c) State Govt(s)	0	0	0	0.00	0	0	0	0	0.00
(d) Bodies Corp.	56236740	0	56236740	25.60	56236740	0	56236740	25.60	0.00
(e) Banks/FI	0	0	0	0.00	0	0	0	0	0.00
(f) Any other	0	0	0	0.00	0	0	0	0	0.00
Sub-total (A)(1):-	107609110	0	107609110	48.98	104086890	0	104086890	47.38	(1.60)
(2) Foreign	0	0	0	0.00	0	0	0	0	0.00
(a) NRIs Individual	0	0	0	0.00	0	0	0	0	0.00
(b) Other Individual	0	0	0	0.00	0	0	0	0	0.00
(c) Bodies Corp.	0	0	0	0.00	0	0	0	0	0.00
(d) Banks/FI	0	0	0	0.00	0	0	0	0	0.00
(e) Any Other.....	0	0	0	0.00	0	0	0	0	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0	0.00
Total Shareholding of Promoter (A) =		0		0.00		0		0	0.00
(A)(1) + (A)(2)	107609110	0	107609110	48.98	104086890	0	104086890	47.38	(1.60)
B. Public shareholding								0	0.00
1. Institutions								0	0.00
(a) Mutual Funds	10755	10500	21255	0.01	10755	10500	21255	0.01	0.00
(b) Banks/FI	497833	18990	516823	0.24	606640	18990	625630	0.28	0.05
(c) Central Govt.	0	0	0	0.00	0	0	0	0	0.00
(d) State Govt.(s)	0	0	0	0.00	0	0	0	0	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
(f) Insurance Companies	6679665	0	6679665	3.04	6679665	0	6679665	3.04	0.00
(g) FIs	407435	0	407435	0.19	36120	0	36120	0.02	(0.17)
(h) Foreign Venture Capital Funds	0	0.00	0	0.00	0.00	0	0.00	0	0.00
(i) Others (specify)		0		0.00		0		0	0.00
Foreign Portfolio Investor	14438898	0	14438898	6.57	12852877	0	12852877	5.85	(0.72)
Foreign Banks	0	42225	42225	0.02	0	42225	42225	0.02	0.00
Sub-total (B) (1):-	22034586	71715	22106301	10.06	20186057	71715	20257772	9.22	(0.84)

Category of Shareholders	No. of shares held at the beginning of the year 01.04.2016				No. of shares held at the end of the year 31.03.2017				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2. Non-Institutions								0	0.00
(a) Bodies Corp.	0	0	0	0				0	0.00
(i) Indian		0		0.00		0		0	0.00
(ii) Overseas		0		0.00		0		0	0.00
(b) Individuals		0		0.00		0		0	0.00
(l) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	46661981	4775196	51437177	23.41	54230783	3758741	57989524	26.40	2.98
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	16292022	538250	16830272	7.66	15545180	98250	15545180	7.08	(0.58)
(c) Others (specify)									
NBFC Registered with RBI	0	21110	21110			143424	143424	0.07	0.07
Bodies Corporate	10847530	44265	10891795	4.96	12340702	65375	12406077	5.65	0.69
Clearing Member	1912360	0.00	1912360	0.87	1890891	0	1890891	0.86	(0.01)
NRI	1268222	22210	1290432	0.59	1566289	22210	1588499	0.72	0.14
OCBs	5753250	0	5753250	2.62	5753250	0	5753250	2.62	0.00
Trust	20850	0	20850	0.01	19900	0	19900	0.01	0.00
Sub-total (B) (2):-	82756215	5401031	88157246	40.13	91346995	3846326	95336745	43.40	3.27
Total Public shareholding								0	0.00
(B) = (B) (1) + (B)(2)	104790801	5472746	110263547	50.19	111533052	3918041	115594517	52.62	2.43
C. Shares held by Custodian for GDRs & ADRs.	1808750	0	1808750	0.82	0	0	0	0	(0.82)
Grand Total (A + B + C)	214208661	5472746	219681407	100.00	215619942	3918041	219681407	100.00	0.00

ii Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01.04.2016				Share Holding at the end of the year 31.03.2017				% Change in Share holding during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
1	SAHU BROTHERS PRIVATE LIMITED	52459860	0	52459860	23.88	52459860	0	52459860	23.88	0.00
2	VANDANA JAIN	9467206	0	9467206	4.31	9467206	0	9467206	4.31	0.00
3	VIVEK JAIN	6643931	0	6643931	3.02	6643931	0	6643931	3.02	0.00
4	USHA P JAIN	4358222	0	4358222	1.98	4358222	0	4358222	1.98	0.00
5	ASHISH JAIN	3866068	0	3866068	1.76	3866068	0	3866068	1.76	0.00
6	MUDIT JAIN	3801498	0	3801498	1.73	1301498	0	1301498	0.59	-1.14
7	PRAMOD KUMAR JAIN	7971968	0	7971968	3.63	7971968	0	7971968	3.63	0.00
8	DURGAVATI JAIN	3241991	0	3241991	1.48	3241991	0	3241991	1.48	0.00
9	PREMCHAND JAIN	1920540	0	1920540	0.87	1920540	0	1920540	0.87	0.00
10	NAMITA P JAIN	1361945	0	1361945	0.62	1361945	0	1361945	0.62	0.00
11	M/S DHRANGADHRA TRADING CO PVT LTD	1280500	0	1280500	0.58	1280500	0	1280500	0.58	0.00
12	SAATVIK JAIN	1618018	0	1618018	0.74	1618018	0	1618018	0.74	0.00
13	VARSHA JAIN	1144580	0	1144580	0.52	1144580	0	1144580	0.52	0.00
14	CRESCENT HOLDINGS AND ENTERPRISES PVT LTD	1137000	0	1137000	0.52	1137000	0	1137000	0.52	0.00
15	SAHU CYLINDERS & UDYOG PVT LTD	1103250	0	1103250	0.50	1103250	0	1103250	0.50	0.00
16	BAKUL JAIN	2439792	0	2439792	1.11	2439792	0	2439792	1.11	0.00
17	SONALIKA JAIN	871941	0	871941	0.40	871941	0	871941	0.40	0.00
18	MEETA JAIN	778720	0	778720	0.35	778720	0	778720	0.35	0.00
19	BHARATI JAIN	620470	0	620470	0.28	24250	0	24250	0.01	-0.27
20	PAULOMI BAKUL JAIN	480085	0	480085	0.22	480085	0	480085	0.22	0.00
21	NEERA JAIN	306481	0	306481	0.14	481	0	481	0.00	-0.14
22	NITISH JAIN	221568	0	221568	0.10	101568	0	101568	0.05	-0.05
23	SATYAWATI GIANCHAND JAIN	109000	0	109000	0.05	109000	0	109000	0.05	0.00
24	FLORIDA HOLDINGS AND TRADING PVT LTD	185450	0	185450	0.08	185450	0	185450	0.08	0.00
25	RIMA SAATVIK JAIN	59511	0	59511	0.03	59511	0	59511	0.03	0.00
26	MALTI BHINDI	50000	0	50000	0.02	50000	0	50000	0.02	0.00
27	SAMARTH JAIN	34000	0	34000	0.02	34000	0	34000	0.02	0.00
28	KALPATARU BOTANICAL GARDENS PRIVATE LIMITED	22500	0	22500	0.01	22500	0	22500	0.01	0.00
29	CASHCO HOLDINGS PRIVATE LIMITED	17750	0	17750	0.01	17750	0	17750	0.01	0.00
30	B J HOLDINGS PRIVATE LIMITED	16000	0	16000	0.01	16000	0	16000	0.01	0.00
31	D P B HOLDINGS PRIVATE LIMITED	13500	0	13500	0.01	13500	0	13500	0.01	0.00
32	SHIVANTIKA JAIN	4835	0	4835	0.00	4835	0	4835	0.00	0.00
33	CANVAS SHOE CO. (GOA) PRIVATE LTD.	830	0	830	0.00	830	0	830	0.00	0.00
34	VIKRANT HOLDINGS AND TRADING PVT LTD	100	0	100	0.00	100	0	100	0.00	0.00
		107609110		107609110	48.98	104086890		104086890	47.38	-1.60

(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	Shri. Mudit Jain	3,801,498	1.73	45,495	13/12/2016	Sale	1,301,498	0.59
				27,204	14/12/2016	Sale		
				25,000	27/12/2016	Sale		
				60,000	28/12/2016	Sale		
				1,00,000	29/12/2016	Sale		
				2,42,301	30/12/2016	Sale		
				50,000	02/01/2017	Sale		
				1,40,000	03/01/2017	Sale		
				10,000	04/01/2017	Sale		
				1,50,000	05/01/2017	Sale		
				5,000	06/01/2017	Sale		
				1,04,754	09/01/2017	Sale		
				1,00,000	10/01/2017	Sale		
				1,60,000	11/1/2017	Sale		
				2,80,246	12/01/2017	Sale		
				1,00,000	13/01/2017	Sale		
				1,20,000	16/01/2017	Sale		
				2,30,000	17/01/2017	Sale		
				1,20,000	18/01/2017	Sale		
				1,50,000	19/01/2017	Sale		
				80,000	20/01/2017	Sale		
				50,000	23/01/2017	Sale		
				50,000	24/01/2017	Sale		
				1,00,000	27/01/2017	Sale		
2	Neera Jain	3,06,481	0.14	3,05,000	29/6/2016	Sale	481	0.00
				1,000	30/6/2017	Sale		
3	Bharti Jain	5,94,197	0.27	2,05,400	03/10/2016	Sale	24,250	0.01
				1,15,773	04/10/2016	Sale		
				153,000	05/10/2016	Sale		
				27,960	06/10/2016	Sale		
				47,814	07/10/2016	Sale		
				20,000	24/2/2017	Sale		
4	Nithish Jain	1,51,568	0.07	70,000	14/10/2016	Sale	31,568	0.01
				50,000	21/10/2016	Sale		

***(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 01-04-2016		Cumulative Shareholding end of the year 31-03-2017	
		No. of share	%of total shares of the Company	No. of share	%of total shares of the Company
1	APMS INVESTMENT FUND LTD	9805000	4.46	9805000	4.46
2	LIFE INSURANCE CORPORATION OF INDIA	6679665	3.04	6679665	3.04
3	LOTUS GLOBAL INVESTMENTS LTD	4558898	2.08	3047877	1.39
4	QUINCY OVERSEAS LIMITED	2708750	1.23	1808750	0.82
5	RAJENDRA KUMAR HIRAWAT	1594829	0.73	1571348	0.72
6	FOUR DIMENSIONS SECURITIES (INDIA) LIMITED	810000	0.37	1382000	0.63
7	GNANESH VIRENDRA LAKHIA	674093	0.31	1349037	0.61
8	MADHUSUDAN KELA	566623	0.26	1267009	0.58
9	PREM LATA HIRAWAT	1049133	0.48	1074133	0.49
10	RENIL RAJENDRA GOGRI	715000	0.33	600000	0.27

*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	7,971,968	3.63				7,971,968	3.63
2	Mr. Bakul Jain	2,439,792	1.11				2,439,792	1.11
3	Shri. Mudit Jain	3,801,498	1.73	45,495	13/12/2016	Sale	1,301,498	0.59
				27,204	14/12/2016	Sale		
				25,000	27/12/2016	Sale		
				60,000	28/12/2016	Sale		
				1,00,000	29/12/2016	Sale		
				2,42,301	30/12/2016	Sale		
				50,000	02/01/2017	Sale		
				1,40,000	03/01/2017	Sale		
				10,000	04/01/2017	Sale		
				1,50,000	05/01/2017	Sale		
				5,000	06/01/2017	Sale		
				1,04,754	09/01/2017	Sale		
				1,00,000	10/01/2017	Sale		
				1,60,000	11/1/2017	Sale		
				2,80,246	12/01/2017	Sale		
				1,00,000	13/01/2017	Sale		
				1,20,000	16/01/2017	Sale		
				2,30,000	17/01/2017	Sale		
				1,20,000	18/01/2017	Sale		
				1,50,000	19/01/2017	Sale		
				80,000	20/01/2017	Sale		
				50,000	23/01/2017	Sale		
				50,000	24/01/2017	Sale		
				1,00,000	27/01/2017	Sale		
4	Mr. Vivek Jain	6643931	3.02	0			6,643,931	3.02
5	Mr. Sodhsal Singh Dev of Dhrangadhra	55,000	0.03	0			55,000	0.03
6	Mr. D. Ganapathy	0	0	0			0	0
7	Ms. Sujata Ragnekar	0	0	0			0	0
8	Mr. Salil Kapoor	0	0	0			0	0
9	Mr. Vimal Jain	0	0	0			0	0
10	Mr. Jigna Karnick	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	84,705.78	2,500.00		87,205.78
ii)Interest due but not paid				
iii)Interest accrued but not due				
Total (i + ii + iii)	84,705.78	2,500.00		87,205.78
Change in Indebtedness during the financial year				
. Addition	3,000.00	3,912.25		6,912.25
. Reduction	14,653.43			14,653.43
Net Change	(11,653.43)	3,912.25		(7,741.18)
Indebtedness at the end of the financial year				
i)Principal Amount	73,052.35	6,412.25		79,464.60
ii)Interest due but not paid				
iii)Interest accrued but not due				
Total (i + ii + iii)	73,052.35	6,412.25		79,464.60

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	10565208	10565208	10565208	10565208	42260832
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	1474381	1474381	1474381	1474381	5897524
	(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)	12039589	12039589	12039589	12039589	48158356
	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	
1	Independent Directors					
	Fee for attending board committee meetings	80,000/-	85,000/-	70,000/-	15,000/-	2,50,000/-
	Commission	_____	_____	_____	_____	_____
	Others, please specify	_____	_____	_____	_____	_____
	Total (1)	80,000/-	85,000/-	70,000/-	15,000/-	2,50,000/-
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	_____	_____	_____	_____	_____
	Commission	_____	_____	_____	_____	_____
	Others, please specify	_____	_____	_____	_____	_____
	Total (2)	_____	_____	_____	_____	_____
	Total (B) = (1 + 2)	80,000/-	85,000/-	70,000/-	15,000/-	2,50,000/-
	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	_____	11,13,948	47,14,921	58,28,869/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	_____	_____	5,93,851/-	5,93,851/-
	(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	_____	11,13,948/-	53,08,772/-	64,22,720/-

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	<p>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>	<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</p> <p>http://www.dcwlimited.com/PDF/policy/policy.zip</p>
2.	<p>The Composition of the CSR Committee</p>	<p>1. Mr. Sodhsal Singh Dev of Dhrangadhra : Chairman (Independent Director)</p> <p>2 Mr. P. K. Jain : Chairman and Managing Director</p> <p>3 Mr. Bakul Jain : Managing Director</p>
3	<p>Average net profit of the company for last three financial years (Amount in crores)</p>	<p>15.90</p>
4.	<p>Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above (Amount in crores)</p>	<p>0.32</p>
5.	<p>Details of CSR spent during the financial year.</p> <p>(1) Total amount to be spent for the financial year.</p> <p>(2) Amount unspent , if any;</p>	<p>0.32</p> <p>NIL</p>

(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		1,38,589/- 5,84,557/-	1,38,589/- 5,84,557/-	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		4,27,828/- 7,63,210/-	4,27,828/- 7,63,210/-	Direct Direct
3	Aid to Orphanage children home home.	Promotion Gender equality empowering women,	Sahupuram Dhrangadhra		10,000/-	10,000/-	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		16,60,343/- 12,15,867/-	16,60,343/- 12,15,867/-	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.	Dhrangdhra		50,666/-	50,666/-	Direct

6	Contribution towards armed forces	Measurers for the benefit of armed forces veterans, war widows and their dependents	Dhrangadhra		25,000/-	25,000/-	Direct
7	Donation of sports accessories	Training to promote rural sport, Nationally recognized sports para olympic sports. and olympic sports.	Sahupuram		29,000/-	29,000/-	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		4,20,000/-	4,20,000/-	Direct
11		Slum Area Development					
				TOTAL	53,25,060/-	53,25,060/-	

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.

NA

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)	5	Yes	1	Nil	Nil
	Shri Bakul Jain (Managing Director) (DIN No. 00380256)	5	No	4	2	2
	Shri. Mudit Jain (Managing Director) (DIN No. 00647298)	5	No	1	Nil	Nil
	Shri Vivek Jain (Managing Director) (DIN No. 00502027)	4	No	1	Nil	Nil
Non Executive and Independent Directors	Shri Salil Kapoor (Din No. : 02256540)	1	No	Nil	Nil	Nil
	Shri Sodhsal Singh Dev of Dhrangadhra * (Din No. : 00682550)	5	Yes	Nil	Nil	Nil
	Ms Sujata Rangnekar (Din No. : 06425371)	4	No	Nil	Nil	Nil
	Shri D. Ganapathy (Din No. : 02707898)	5	Yes	Nil	Nil	Nil

* Shri Sodhsal Singh Dev of Dhrangadhra is holding 55,000 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 5 (Five) Board Meetings were held on:

25.05.2016, 13.08.2016, 07.09.2016, 06.12.2016, and 14.02.2017

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
25.05.2016	Yes	Yes	Yes
07.09.2016	Yes	No	Yes
06.12.2016	Yes	Yes	Yes
14.02.2017	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 Dhrangadhara	Shri. D. Ganapathy
13.08.2016	yes	yes	yes
14.02.2017	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 sitting 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 2016-2017 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	105,65,208	-	3,173,788	-	-	1,37,38,996
Shri Bakul Jain	105,65,208	-	3,173,788	-	-	1,37,38,996
Shri Mudit Jain	105,65,208	-	3,173,788	-	-	1,37,38,996
Shri Vivek Jain	105,65,208	-	3,173,788	-	-	1,37,38,996
Shri Sodhsal Singh Dev of Dhrangadhra	----	-	----	----	80,000	80,000
Shri Salil Kappor	----	----	----	----	15,000	15,000
Ms. Sujata Rangnekar	----	----	----	----	70,000	70,000
Shri D. Ganapathy	----	----	----	----	85,000	85,000

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 Stakeholders Relationship Committee.

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

There were 27 complaints received from the shareholders during the year. 26 complaints were resolved and 1 complaint was outstanding as on 31.03.2017.

6. Independent Directors Meeting:

During the year under Review, the Independent Directors met on 14th February, 2017 in-act, 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 program for Independent Directors:

The Board Members are provided with necessary documents /Brochures and reports to enable them to familiarize with the Company 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 program imparted to independent directors is disclosed.

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



7. 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, 2017.

8. 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.

9. 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.

10. General Body Meetings

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

Year	Location	Date	Time	No. of Special Resolutions Passed
2013-14	Dhrangadhra, Gujarat	13.08.2014	10.00 a.m.	13
2014-15	Dhrangadhra, Gujarat	27.08.2015	10.00 a.m.	1
2015-16	Dhrangadhra, Gujarat	29.09.2016	10.00 a.m.	2

ii No Special Resolution has been passed last year through postal ballot.

iii No Special Resolution is proposed to be conducted through postal ballot.

11. 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 28th September, 2017
Time	:	10.00 A.M.
Venue	:	at the Registered Office (at Guest House No.2), Dhrangadhra, Gujarat - 363 315
Financial year	:	April 2016 - March 2017:
Date of Book closure	:	19th September, 2017 till 28th September, 2017. (both days inclusive).
Dividend 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 2017 - 2018.

GDRs of the Company are listed with the Luxembourg Stock Exchange

Stock Code : 500117 (BSE)
DCW (NSE)

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

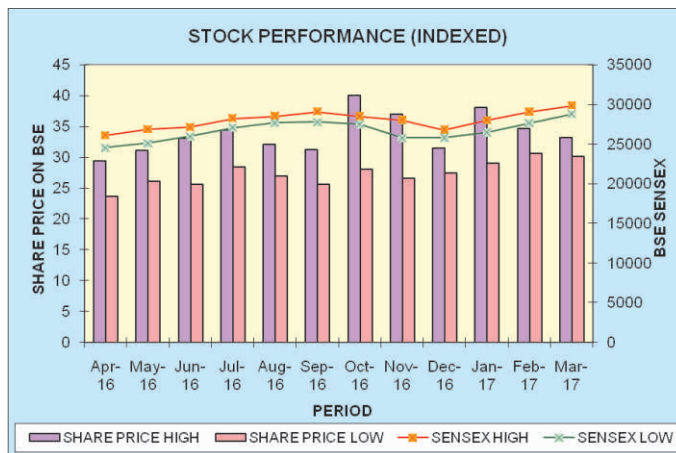
Market price data :

High / Low During each month in last Financial year :

Month / Year	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2016	29.35	23.70	29.40	23.70
May, 2016	30.95	26.10	31.05	26.15
June, 2016	33.15	25.60	33.10	25.65
July, 2016	34.40	28.40	34.40	28.40
August, 2016	32.00	26.95	32.05	26.90
September, 2016	31.25	25.90	31.20	25.65
October, 2016	39.90	27.85	40.00	28.00
November, 2016	37.05	26.40	36.90	26.60
December, 2016	31.50	27.55	31.50	27.50
January, 2017	38.00	29.00	38.00	29.05
February, 2017	34.60	30.50	34.60	30.65
March, 2017	33.10	30.15	33.15	30.15

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., 1st floor, Bharat Tinworks Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400 059 as Registrars and Share Transfer Agents of the Company.

Our RTA, Bigshare Services Private Limited has Gen-Next Investor Interface Module "i'Boss" the most advanced tool to interact with investors. Please login into i'Boss (www.bigshareonline.com) 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 31.03.2017 :-

Range	No. of Shareholders	% of Shareholders	Total No. of Shares held	% of Total Capital
1 - 5000	48182	91.4079	22633198	10.3027
5001 - 1000	2392	4.5380	9203298	4.1894
10001 - 20000	1058	2.0072	8170205	3.7191
20001 - 30000	313	0.5938	3993278	1.8178
30001 - 40000	194	0.3680	3563233	1.6220
40001 - 50000	125	0.2371	2922857	1.3305
50001 - 100000	212	0.4022	7715013	3.5119
100001 - above	235	0.4458	161480325	73.5066
Total	52711	100.0000	219681407	100.0000

Shareholding Pattern as on 31.03.2017

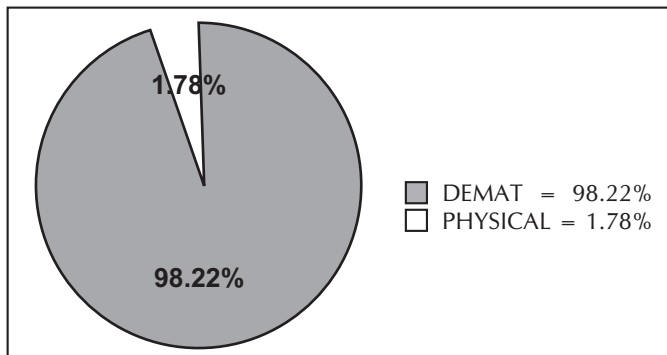
	Category of Shareholder	No. of Shares held	Percentage of Shareholding
(A) 1	Shareholding of Promoter and Promoter Group		
	Indian		
	Individuals/ Hindu Undivided Family	47,850,150	21.78
	Central Government/ State Government(s)	-	-
	Bodies Corporate	5,62,336,740	25.60
	Financial Institutions/ Banks	-	-
	Any Others (Specify)	-	-
	Sub Total (A)(1)	10,40,86,890	47.38
2	Foreign		
	Individuals (Non-Residents Individuals/Foreign Individuals)	-	-
	Bodies Corporate	-	-
	Institutions	-	-
	Any Others (Specify)	-	-
	Sub Total (A)(2)	-	-
	Total Shareholding of Promoter and Promoter Group	10,40,86,890	47.38
	(A) = (A) (1) + (A)(2)		

(B) 1	Public shareholding Institutions		
	Mutual Funds/ UTI	21,255	0.01
	Financial Institutions / Banks	6,25,630	0.28
	Central Government/ State Government(s)	-	-
	Venture Capital Funds	-	-
	Insurance Companies	66,79,665	3.04
	Foreign Institutional Investors	36,120	0.02
	Foreign Venture Capital Investors	-	-
	Any Other (specify)	-	-
	Foreign Portfolio Investor	1,28,52,877	5.85
Foreign Banks	42,225	0.02	
	Sub-Total (B)(1)	2,02,57,772	9.22
B 2	Non-institutions		
	Bodies Corporate	1,24,06,077	5.65
	Individuals	7,35,34,704	33.48
	Any Other (specify)	-	-
	NBFC	1,43,424	0.07
	Clearing Member	18,90,891	0.86
	NRI	15,88,499	0.72
	OCBs	57,53,250	2.62
	Trust	19,900	0.01
	Sub-Total (B)(2)	9,53,36,745	43.40
(B)	Total Public Shareholding (B) = (B)(1) + (B)(2)	11,55,94,517	52.62
	TOTAL (A) + (B)	21,96,81,407	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-
	GRAND TOTAL (A) + (B) + (C)	21,96,81,407	100.00

Dematerialisation of shares: 215,763,366 Equity shares held by 46805 Shareholders comprising 95.32% of the paid up Share Capital have been dematerialised as on 31st March, 2017.

Bifurcation of the category of shares in physical and Electronic mode as on 31st March, 2017 is given below.

Category	No. of Shareholders	No. of shares	Percentage %
PHYSICAL	5906	3918041	1.78
NSDL	27571	187074682	85.16
CDSL	19234	28688684	13.06
TOTAL	52711	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.:

1306000 warrants issued on preferential basis to Promoters were outstanding as on 31st March, 2017 were converted into 1306000 equity share of Rs. 2 each at a premium of Rs. 21 per equity share in May 2017 as per the terms of issue.

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

Commodity Price Risk or Foreign Exchange Risk and Hedging activities.

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 : Bigshare Services Pvt. Ltd.,

Communications may be Addressed to : Unit DCW Ltd., 1st floor, Bharat Tin Works Bldg., Opp. Vasant Oasis, Makwan Road, Marol, Andheri(East), Mumbai – 400 059.

Tel.: 91-22 – 62638200 Fax.: 91-22-62638299

Email : investor@bigshareonline.com

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

• **Share Transfer :**

215763366 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.

12. 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 Indian Accounting Standard (Ind AS-24) 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 2016-17.

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

During the financial year 2016-17, 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.

13. 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 2016-17.

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 Shri. 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, 2017 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, 2017, 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: 30/5/2017

Sd/-
Chairman & Managing Director

Sd/-
Chief Financial Officer



Compliance Certificate on Corporate Governance Report

To,
The Members of
DCW Limited
Dhrangadhra - 363 315
Gujarat

We have examined the compliance of conditions of Corporate Governance by DCW Limited. for the year ended on 31st March, 2017 as stipulated in :

- Regulations 17 to 27 and Regulation 46 and para C,D and E of Schedule V of the Listing Regulations for the period from 01/04/2016 to 31/03/2017.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring Compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to our examination of the relevant records 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 condition of Corporate Governance as stipulated in regulation 17 to 27 and regulation 46 and Para C, D and E of Schedule V for the year ended 31st March 2017.

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 Secretary

(Dr. S. K. JAIN)
Proprietor
C.P. No. 3076

Place: Mumbai
Date: 30/5/2017

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2017



TO THE MEMBERS OF DCW LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of DCW Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 standalone Ind AS 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 Ind AS 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 41 (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.3110.89 lacs on coal imported by the company during 2011 and 2012; and in the matter of execution of assignment deeds of the lands at Sahupuram Works in respect of which the State Government has issued notice of re-possession and demanded lease rent for the period occupied by the company. No provision has been made for all the aforesaid demands and the land is treated as freehold, in view of the factors stated in the said note. Our opinion is not qualified in respect of this matter.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and our reports for the year ended 31st March 2016 and 31st March 2015 dated 25th May, 2016 and 23rd May, 2015 respectively, expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.



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 in terms of Section 143(11) of the Act, we give in "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(including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) 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".
 - 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 has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note No 35 and 41 of 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 No 40 (c) of the financial statements.
 - iii. There was no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016; and such disclosures are in accordance with the books of account maintained by the Company - Refer Note No 46 of the financial statements.

For V. Sankar Aiyar & Co.,
Chartered Accountants.
Firm Reg No. 109208W

Place: Mumbai

Date: 30th May, 2017

G. Sankar
Partner
Membership No. 46050

Annexure A to Auditor's Report

Annexure referred to in our report of even date to the members of DCW Limited on the accounts for the year ended 31st March, 2017

- 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 5.2, 5.3, 5.4, 5.5 and 41 (f).
- ii. The inventories of finished goods (except goods lying with consignees and in-transit), 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, value added tax, cess and other statutory dues with appropriate authorities. In case of excise duty of Rs.967.93 lakhs, the company deposited subsequent to the year end, after a considerable delay.

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, 2017, for a period of more than six months from the date they became payable except excise duty amounting to Rs 528.84 lakhs which was in arrears for more than six months from the due date, as at 31st March, 2017. We are informed that the said amount has been subsequently paid.

(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:

(Amount in Rs. lakhs)

Name of the Statute / Nature of Dues	Period	Forum where dispute is pending				
		Supreme Court	High Court	Appellate Tribunal*	Appellate Authority**	Grand Total
Customs Act, 1962 (Custom Duty Including Penalty & Interest, wherever applicable) Central Excise Act, 1944 (Excise Duty Including Penalty & Interest, wherever applicable)	1997 to 2017	-	-	5,301.58	-	5,301.58
Including Penalty & Interest, wherever applicable)	1997 to 2015	-	78.11	380.60	62.15	520.85
Sales Tax legislations (sales tax, including penalty & interest wherever applicable)	1982 to 2017	-	1,748.47	457.22	1,104.97	3,310.66
Service Tax	2005 to 2015	-	-	-	39.17	39.17
Local cess, local cess surcharge [land revenue including penalty and interest wherever applicable]	1989 to 2017	-	735.22	-	-	735.22
GRAND TOTAL		-	2,561.80	6,139.40	1,206.28	9,907.48

* 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 Central Government in respect of payment of remuneration to relatives of Directors and 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 Ind AS 24 Related Party Disclosures.
- xiv. 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 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. Sankar Aiyar & Co.,
Chartered Accountants.
Firm Reg No. 109208W

Place: Mumbai

Date: 30th May, 2017

G. Sankar
Partner
Membership No. 46050

“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 2017

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, 2017 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.

For V. Sankar Aiyar & Co.,
Chartered Accountants.
Firm Reg No. 109208W

Place: Mumbai

Date: 30th May, 2017

G. Sankar
Partner
Membership No. 46050



BALANCE SHEET

As At 31st March, 2017

Rs. In Lakhs

	Note	AS AT 31/03/2017	AS AT 31/03/2016	AS AT 1/04/2015
ASSETS				
Non-Current Assets				
Property, Plant, & Equipment	5	1,53,115.37	1,26,047.95	86,820.30
Investment Property	6	1.54	1.54	1.54
Capital Work in Progress		12,181.06	36,681.55	67,446.69
Financial Assets				
Investments	7	0.96	5.10	5.10
Loans	8	511.20	453.37	377.28
Other Non-Current Assets	9	950.57	1,576.38	1,955.22
Total Non-Current Assets		1,66,760.70	1,64,765.89	1,56,606.13
Current Assets				
Inventories	10	13,517.91	16,795.95	16,559.74
Financial Assets				
Trade Receivables	11	8,045.53	11,678.38	9,458.13
Cash & Cash Equivalents	12	157.76	176.14	348.98
Bank Balances Other Than Above	13	1.80	1.83	329.87
Loans	14	4,837.50	841.51	2,142.84
Current Tax Assets (Net)		51.05	-	273.15
Other Current Assets	15	1,852.84	2,042.33	4,330.79
Total Current Assets		28,464.39	31,536.14	33,443.50
Total Assets		1,95,225.09	1,96,302.03	1,90,049.63
EQUITY & LIABILITIES				
Equity				
Equity Share Capital	16	4,393.64	4,393.64	4,269.89
Other Equity	17	61,079.67	59,077.36	55,989.54
Total Equity		65,473.31	63,471.00	60,259.43
Non-Current Liabilities				
Financial Liabilities				
Long-Term Borrowings	18	47,998.82	55,499.74	56,739.65
Provisions	19	1,250.33	1,289.36	1,104.74
Deferred Tax Liabilities (Net)	20	11,339.77	11,374.77	11,058.79
Other Non-Current Liabilities	21	3,830.61	3,903.46	3,967.14
Total Non Current Liabilities		64,419.53	72,067.33	72,870.32
Current Liabilities				
Financial Liabilities				
Short-Term Borrowings	22	18,126.61	18,050.79	11,369.63
Trade Payables	23	27,128.02	23,017.65	29,383.85
Other Financial Liabilities	24	15,919.74	15,562.39	13,873.74
Other Current Liabilities	25	4,157.88	3,859.63	2,292.66
Current Tax Liabilities (Net)		-	273.24	-
Total Current Liabilities		65,332.25	60,763.70	56,919.88
Total Equity & Liabilities		1,95,225.09	1,96,302.03	1,90,049.63

Summary of Significant Accounting Policies and Other Notes to the financial statements 1 to 48

As per our Report attached.
For V.Sankar Aiyar & Co.
Chartered Accountants
FRN No. 109208W
G. Sankar
Partner
Membership No. 46050
Place: Mumbai
Date: 30th May, 2017

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 2017



Rs. In Lakhs

	Note	For the year ended 31/03/2017	For the year ended 31/03/2016
REVENUE			
Revenue From Operations	26	1,30,491.45	1,39,879.50
Other Income	27	532.84	334.05
Total Income		1,31,024.29	1,40,213.55
EXPENSES			
Cost of Raw Materials Consumed	28	60,243.97	61,505.46
Purchases of Stock-in-Trade	29	62.80	11.31
Change in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	30	(1,119.33)	(84.23)
Excise Duty		12,911.50	13,544.51
Employee Benefit Expenses	31	10,216.35	9,640.17
Finance Costs	32	5,657.54	5,797.09
Depreciation Expenses	5	6,792.91	6,897.42
Other Expenses	33	33,757.25	40,224.49
Total Expenses		1,28,522.99	1,37,536.22
Profit / (Loss) From Continuing Operations Before Tax		2,501.30	2,677.33
TAX EXPENSES			
Provision For Current Tax		485.00	650.00
Provision For MAT Credit		(475.00)	(617.00)
Provision For Deferred Tax		461.57	932.24
Provision For Tax For Earlier Years		15.00	-
Total Tax Expenses		486.57	965.24
Profit / (Loss) From Continuing Operations After Tax		2,014.73	1,712.09
OTHER COMPREHENSIVE INCOME			
A. (i) Items that will not be reclassified to profit or loss	34	(18.99)	2.15
(ii) Tax on items that will not be reclassified to profit or loss		6.57	(0.74)
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Tax on items that will be reclassified to profit or loss		-	-
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(12.42)	1.41
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		2,002.31	1,713.50
Earnings Per Equity Share			
(1) Basic		0.91	0.79
(2) Diluted		0.91	0.79
(Face Value of Equity Share Rs 2/- each)			

Summary of Significant Accounting Policies and
Other Notes to the Financial Statements

1 to 48

As per our Report attached.
For V.Sankar Aiyar & Co.
Chartered Accountants
FRN No. 109208W
G. Sankar
Partner
Membership No. 46050
Place: Mumbai
Date: 30th May, 2017

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, 2017

Rs. In Lakhs

Particulars	2016-17		2015-16	
A. Cash flow from Operating Activities				
Net profit before tax and extraordinary items		2,501.30		2,677.33
Less: Remeasurement of Employee Benefits Adjusted in OCI		(18.99)		2.15
Net Profit Before Tax After Adjustment in OCI		2,482.31		2,679.48
Adjustments for :				
Non-cash items				
Depreciation and amortisation expense	6,792.91		6,897.42	
Unrealized Exchange Loss / (Gain)	(239.91)		(370.55)	
Finance Costs	5,657.54		5,797.09	
Interest income	(166.01)		(24.62)	
(Profit) / Loss on Sale of Asset	285.82		(9.34)	
Income Recognized Against Capital Grant	(72.85)	12,257.50	(63.67)	12,226.33
Operating profit before working capital changes		14,739.81		14,905.81
Adjustments for :				
Trade and other receivables	292.29		1,669.63	
Inventories	3,278.04		(236.21)	
Trade and other payables	5,402.82	8,973.15	(3,929.63)	(2,496.21)
Cash generation from operations		23,712.96		12,409.61
Direct taxes paid		(839.29)		(103.61)
Net cash flow from Operating Activities		22,873.67		12,306.00
B. Cash flow from Investing Activities				
Purchase of fixed Assets	(9,018.19)		(10,413.72)	
Sale of Fixed Assets	13.73		18.40	
(Purchase) / Sales of Investments	4.14		-	
Investment in Fixed Deposits pledged towards Margin Money	0.03		328.03	
Interest income	166.01		24.62	
Net cash used in Investing Activities		(8,834.28)		(10,042.67)
C. Cash flow from Financing Activities				
Proceeds from issue of share capital	-		1,498.06	
Proceeds from Long-Term Borrowings	2,841.12		9,103.57	
Repayment of Long Term Borrowings	(10,653.01)		(8,960.92)	
Short Term Borrowings (Net)	53.87		6,786.82	
Finance Costs	(6,321.71)		(10,758.03)	
Net cash used in Financing Activities		(14,079.73)		(2,330.50)
Net increase / (Decrease) in Cash and Cash equivalents		(40.34)		(67.17)
Opening Cash and Cash Equivalents		176.14		243.31
Closing Cash and Cash Equivalents		135.80		176.14
		40.34		67.17
Breakup of Opening Cash and Cash Equivalents				
Balances with Banks				
In Current Accounts		158.49		326.48
Cheques on Hand		0.06		0.07
Cash on Hand		17.59		22.43
		176.14		348.98
Less: Debit Balance in Overdraft A/c		-		(105.67)
Cash and Cash Equivalents		176.14		243.31
Breakup of Closing Cash and Cash Equivalents				
Balances with Banks				
In Current Accounts		142.58		158.49
Cheques on Hand		0.06		0.06
Cash on Hand		15.12		17.59
		157.76		176.14
Less: Debit Balance in Overdraft A/c		(21.96)		-
Cash and Cash Equivalents		135.80		176.14

As per our Report attached.
For V.Sankar Aiyar & Co.
Chartered Accountants
FRN No. 109208W
G. Sankar
Partner

Membership No. 46050
Place: Mumbai
Date: 30th May, 2017

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, 2017:



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2017

A. Equity Share Capital

Rs. in Lakhs

	Opening balance	Changes during the year	Closing balance
As at 31st March 2017	4,393.64	-	4,393.64
As at 31st March 2016	4,269.89	123.75	4,393.64

B. Other Equity

	Reserves and Surplus					Other Comprehensive Income	Money received against share warrants	Total
	Retained Earnings	General Reserve	Securities Premium Reserve	Capital Reserve	Capital Redemption Reserve			
Balance as at 01st April 2016	13,671.42	32,024.13	12,893.12	406.88	5.30	1.41	75.10	59,077.36
Additions during the year	-	-	-	-	-	(12.42)	-	(12.42)
Surplus in the Statement of profit and loss	2,014.73	-	-	-	-	-	-	2,014.73
Balance as at 31st March 2017	15,686.15	32,024.13	12,893.12	406.88	5.30	(11.01)	75.10	61,079.67
Balance as at 01st April 2015	11,959.33	32,024.13	11,593.90	406.88	5.30	-	-	55,989.54
Additions during the year	-	-	1,299.22	-	-	1.41	75.10	1,375.73
Surplus in the Statement of profit and loss	1,712.09	-	-	-	-	-	-	1,712.09
Balance as at 31st March 2016	13,671.42	32,024.13	12,893.12	406.88	5.30	1.41	75.10	59,077.36

C. Nature of reserves

Securities Premium collected on issue of securities are accumulated as part of securities premium.

D. Terms of money received against Share Warrants

13,06,000 convertible warrants out of 26,12,000 have been issued and allotted to promoters during the year 2015-16 are yet to be converted. 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 converted into 1 (one) Equity Share at 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 has been 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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note No. 1

Company Overview

DCW Ltd (formally Dhrangadhra Chemical Works Limited), was incorporated in January 1939. The Registered Office of the Company is located at Dhrangadhra, Gujarat - 363315. Its shares are listed in Bombay Stock Exchange(BSE) and National Stock Exchange(NSE). It is one of the multi-product multi-location heavy chemical manufacturing company. DCW has two manufacturing units located at Dhrangadhra, Gujarat and at Sahupuram Tamil Nadu.

Note No. 2

Basis for preparation:

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (Act) read with Rule 4A of Companies (Accounts) Second Amendment Rules, 2015, Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder. The Financial Statements have been prepared under historical cost convention basis except for derivative financial instruments, certain financial assets and financial liabilities which have been measured at fair value.

For all the periods upto 31st March, 2016, the financial statements were prepared under historical cost convention in accordance with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. These financial statements for the year ended 31st March, 2017, are the first the Company has prepared in accordance with Ind AS. Refer to note- 48 for information on how the Company adopted Ind AS.

The Company's presentation and functional currency is Indian Rupees (₹) and all values are rounded off to the nearest lakhs (INR00,000), except when otherwise indicated.

The Financial Statements were authorized for issue in accordance with a resolution of the directors on 30th May 2017.

Note No. 3

Use of Judgement, Assumptions and Estimates

The preparation of the Company's financial statements requires management to make informed judgements, reasonable assumptions and estimates that affect the amounts reported in the financial statements and notes thereto. Uncertainty about these could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods. These assumptions and estimates are reviewed periodically based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit & Loss in the period in which the estimates are revised and in any future periods affected.

In the assessment of the Company, the most significant effects of use of judgments and/or estimates on the amounts recognized in the financial statements relate to the following areas:

- Financial instruments;
- Useful lives of property, plant & equipment;
- Valuation of inventories;
- Measurement of recoverable amounts of assets / cash-generating units;
- Assets and obligations relating to employee benefits;
- Evaluation of recoverability of deferred tax assets; and
- Provisions and Contingencies.

Note No. 4

Significant Accounting Policies :

A. Property and plant & equipment

- a) The cost of an item of property, plant and equipment is recognized as an asset only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.
- b) Property, plant and equipment are stated at cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment loss, if any.
- c) The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation (if any) and the applicable borrowing cost till the asset is ready for its intended use.

NOTES FORMING PART OF THE BALANCE SHEET



- d) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- e) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds if any and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.
- f) Spare parts which meet the definition of property plant and equipment are capitalized as property, plant and equipment. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit & Loss on issue/consumption.
- g) When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognises the replaced part and recognises the new part with its own associated useful life and it is depreciated accordingly. All other repair and maintenance cost are recognised in the Statement of Profit and Loss as and when incurred.
- h) Direct expenses incurred during construction period on capital projects are capitalised.

B. Depreciation

- a) Depreciation on property, plant and equipment is provided on the straight line basis, over the useful lives of assets (after retaining the residual value of up to 5%). The useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act except in case of following assets which are depreciated over their useful life as determined by a Chartered Engineer and Valuer

Asset 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

- b) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the period in which the estimates are revised and in any future periods affected.
- c) Items of property, plant and equipment costing not more than Rs.5,000 each are depreciated at 100 percent in the year in which they are capitalised.
- d) The Company depreciates components of the main asset that are significant in value and have different useful lives as compared to the main asset separately.
- e) The spare parts are depreciated over the estimated useful life based on internal technical assessment.
- f) Expenditure on major repairs and overhauls which qualify for recognition in the item of Property, Plant and Equipment and which result in additional useful life, is depreciated over the extended useful life of the asset as determined by technical evaluation.
- g) Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.

C. Accounting for Leases

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease and whether it is a finance lease or an operating lease. If substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the Company as lessee the arrangement is treated as a finance lease otherwise it is considered as an operating lease. The Company which has an operating lease (as a lessee) recognises the lease rentals as expense in the statement of Profit & Loss on a straight line basis with reference to lease terms and other considerations.

D. Investment Property

Investment properties comprise portions of freehold land that are held for long-term rental yields and/or for capital appreciation. Investment properties are initially recognised at cost.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

E. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location, including appropriate overheads apportioned on a

NOTES FORMING PART OF THE BALANCE SHEET

reasonable and consistent basis and is determined on the following basis:

- a) Raw materials and finished goods on weighted average basis.
- b) Work in process at raw material cost plus cost of conversion.
- c) Stores and spares on weighted average basis.

Customs duty on raw materials / finished goods lying in bonded warehouse is provided for at the applicable rates. Excise duty on finished stocks lying in bond is provided for at the applicable assessable value.

Obsolete, slow moving, surplus and defective stocks are identified and where necessary, provision is made for such stocks.

F. Revenue Recognition

Sale of goods: Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, revenue and the associated costs can be estimated reliably and it is probable that economic benefits associated with the transaction will flow to the company. Sale value of goods is measured at the fair value of the consideration received or receivable, net of returns and applicable trade discounts or rebates. It includes applicable excise duty and surcharge but excludes sales tax.

Other claims are booked when there is a reasonable certainty of recovery. Claims are reviewed on a periodic basis and if recovery becomes uncertain, provision is made in the accounts.

Interest income is recognised using Effective Interest Rate (EIR) method.

G. Employee Benefits

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit & Loss for the year/period in which the related services are rendered.

The Company's post-employment benefit consists of provident fund, gratuity and superannuation fund. The Company also provides for leave encashment which is in the nature of long term benefit.

Company's contributions to provident fund which is a defined benefit plan, are recognised as an expense in the Statement of Profit & Loss for the year/period in which the services are rendered. The Company's contribution to the Provident Fund/Pension Fund is remitted to separate trust established for this purpose /government provident fund authority respectively based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets of the Provident Fund Trust, based on the Government specified minimum rate of return, is made good by the Company and charged to Statement of Profit and Loss.

The Company operates defined benefit plan for Gratuity. The cost of providing such defined benefit is determined using the projected unit credit method of actuarial valuation made at the end of the year. 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 Superannuation Fund is a Defined Contribution Scheme managed by LIC and SBI Life Insurance Company and contributions are made to the fund are charged to the Profit and Loss Account.

Obligations on leave encashment are provided using the projected unit credit method of actuarial valuation made at the end of the year.

Actuarial gains and losses are recognised in other comprehensive income for gratuity and recognised in the Statement of Profit & Loss for leave encashment.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

H. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences in relation to borrowings denominated in foreign currency to the extent regarded as an adjustment to the borrowing costs.

NOTES FORMING PART OF THE BALANCE SHEET



Exchange differences are regarded as an adjustment to borrowing costs for an amount equivalent to the extent to which an exchange loss does not exceed the difference between the cost of borrowing in functional currency when compared to the cost of borrowing in a foreign currency and the amount of gain in relation to any settlement or translation of a borrowing, to the extent of any unrealised loss in respect of the same borrowing, previously recognised as an adjustment to such borrowing cost.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets till the month in which the asset is ready for use. All other borrowing costs are charged to the Statement of Profit & Loss.

I. Segment Accounting

The Managing Directors monitor the operating results of the business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products / services.

Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallowable expenditure.

Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Company.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

Inter-Segment transfer pricing

Segment revenue resulting from transactions with other business segments is accounted for at actual cost incurred for producing the goods or at market prices of the products transferred as the case may be and as agreed to by the respective segments.

J. Foreign Currency Transactions

Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at spot rates of exchange at the reporting date.

Foreign exchange differences on long-term foreign currency monetary items outstanding as of 31st March, 2016, relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance useful life of the asset. Other exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit & Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

Non - Monetary items:

Non-monetary items that are measured in terms of historical cost are recorded at the exchange rates at the dates of the initial transactions.

K. Provisions, Contingent Liabilities and Contingent assets

- a) Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision are recognised in the Statement of Profit & Loss net of any reimbursement.
- b) If the effect of time value of money is material, provisions are shown at present value of expenditure expected to be required to settle the obligation, by discounting using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- c) Contingent liabilities are possible obligations arising from past events and whose existence will only be confirmed by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.
- d) Show-cause notices issued by various Government Authorities are not considered as obligation. When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.
- e) Contingent Assets are not recognised but reviewed at each balance sheet date and disclosure is made in the Notes in respect of possible effects that arise from past events and whose existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and where inflow of economic benefit is probable.

NOTES FORMING PART OF THE BALANCE SHEET

L. Fair Value measurement

- a) The Company measures financial instruments i.e. derivative contracts at fair value at each balance sheet date.
- b) Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.
- c) While measuring the fair value of an asset or liability, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value using observable market data as far as possible and minimising the use of unobservable inputs. Fair values are categorised into 3 levels as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices that are observable for the assets or liability, either directly (i.e. as prices for similar item) or indirectly (i.e. derived from prices)

Level 3: inputs that are not based on observable market data (unobservable inputs)

M. Financial Instruments

i Financial Assets other than derivatives

All financial assets are recognised initially at fair values including transaction costs that are attributable to the acquisition of the financial asset.

A financial asset is measured (subsequent measurement) at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost is net of any write down for impairment loss (if any) using the effective interest rate (EIR) method taking into account any discount or premium and fees or costs that are an integral part of the EIR.

A financial asset is derecognised either partly or fully to the extent the rights to receive cash flows from the asset have expired and / or the control on the asset has been transferred to a third party. On de-recognition, any gains or losses are recognised in the Statement of Profit & Loss.

ii. Financial Liabilities other than derivatives

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method ("EIR"). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit & Loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit & Loss.

iii. Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value with the changes being recognised in the Statement of Profit & Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

iv. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

N. Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current if they are expected to be realised / settled within twelve months after the reporting period. All other assets and liabilities are considered as non-current.

O. Impairment

Non-financial Assets

At each Balance Sheet date, an assessment is made of whether there is any indication of impairment. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Financial Assets

The Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortised cost.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date right from initial recognition. In respect of other financial assets measured at amortised cost, the loss allowance is measured at 12 month ECL for financial assets with low credit risk at the reporting date. Where there is a significant deterioration in the credit risk, the loss allowance is measured since initial recognition of the financial asset.

P. Taxes on Income

Current Tax

Income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Deferred tax

Deferred tax (both assets and liabilities) is calculated using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The amount of deferred tax assets is reviewed at each reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current tax and Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit & Loss, other comprehensive income or directly in equity.

Q. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period, adjusted for the effect of all dilutive potential equity shares.

R. Cash and Cash equivalents

Cash and cash equivalents include cash at bank, cash, cheques and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

S. Government Grants

Government grants are recognized to the extent they are received in cash or kind.

When the grant relates to an expense item, the same is deducted in reporting the related expense in the Statement of Profit or Loss for which it is intended to compensate.

Government grants relating to property, plant and equipment are presented as deferred income and are credited to the Statement of Profit & Loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on the assets is recognised.

Grants related to income are deducted in reporting the related expense.

NOTES FORMING PART OF THE BALANCE SHEET

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT Financial Year 2016-17

Rs. in Lakhs

Description of Assets	GROSS BLOCK		Adjustment (Ref. Note)	Sales and other deductions	At Fair Value as on 31-03-17	Opening Depreciation as on 01.04.2016	DEPRECIATION		NET BLOCK	
	At Fair Value as on 01-04-16	Additions and other transfers					for the year	Dep. On Discarded/Sold Assets	As at 31st March 17	As at 31st March 16
Land	20,278.97	14.25	-	-	20,293.21	-	-	-	20,293.21	20,278.97
Buildings	30,638.17	8,276.87	-	-	38,915.04	960.37	1,041.47	-	36,913.20	29,677.80
Plant and Machinery	71,153.62	25,742.83	-	1,548.56	95,347.89	5,043.16	4,963.88	1,261.18	86,745.86	66,110.46
Windmill	9,710.68	-	-	-	9,710.68	501.26	501.26	-	1,002.52	9,209.42
Furniture & Fittings	111.89	7.46	-	6.91	112.44	24.39	18.92	4.38	38.93	87.50
Office Equipments	264.16	38.93	-	15.29	287.80	75.52	110.99	13.90	172.61	188.64
Vehicles	577.14	79.56	-	40.74	615.96	81.98	156.39	32.49	205.88	495.16
Total	132,734.63	34,159.90	-	1,611.50	165,283.03	6,686.68	6,792.91	1,311.95	12,167.64	153,115.37
Previous Year	86,820.30	46,082.63	51.37	219.67	132,734.63	-	6,897.42	210.74	6,686.68	86,820.30

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT Financial Year 2015-16

Description of Assets	GROSS BLOCK		Adjustment (Ref. Note)	Sales and other deductions	At Fair Value as on 31-03-16	Opening Depreciation as on 01.04.2015	DEPRECIATION		NET BLOCK	
	At Fair Value as on 01-04-15	Additions and other transfers					for the year	Dep. On Discarded/Sold Assets	As at 31st March 16	As at 31st March 15
Land	20,278.18	0.78	-	-	20,278.97	-	-	-	-	20,278.97
Buildings	10,312.12	20,322.31	3.74	-	30,638.17	-	960.37	-	960.37	29,677.80
Plant and Machinery	45,584.20	25,595.06	47.63	73.27	71,153.62	-	5,114.36	71.20	5,043.16	66,110.46
Windmill	9,710.68	-	-	-	9,710.68	-	501.26	-	501.26	9,209.42
Furniture & Fittings	95.36	20.06	-	3.52	111.89	-	27.42	3.03	24.39	87.50
Office Equipments	214.78	54.81	-	5.43	264.16	-	80.28	4.76	75.52	214.78
Vehicles	624.98	89.61	-	137.45	577.14	-	213.73	131.75	81.98	495.16
Total	86,820.30	46,082.63	51.37	219.67	132,734.63	-	6,897.42	210.74	6,686.68	86,820.30
Previous Year	116,116.21	2,467.45	359.17	395.22	118,547.61	49,989.17	5,246.35	195.25	55,040.27	66,127.04

NOTES FORMING PART OF THE BALANCE SHEET

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT As on 01st April 2015

Description of Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 01-04-15	Fair Value Adjustment	Govt. Grant Adjustment	Other Adjustment	At Fair Value as on 01-04-15	Opening Depreciation as on 01.04.2015	Fair Value Adjustment	Comp. Adjustment	As at 01-04-15	As at 01-04-15 IGAAP
	Rs. in Lakhs									
Land	536.57	19,741.61	-	-	20,278.18	-	-	-	20,278.18	536.57
Buildings	9,702.44	4,077.54	-	-	13,779.98	3,467.86	-	-	10,312.12	6,234.58
Plant and Machinery	93,118.82	(1,600.00)	1,462.40	-	92,981.22	47,030.00	-	367.02	45,584.20	46,088.82
Windmill	12,140.81	-	-	-	12,140.81	2,430.13	-	-	9,710.68	9,710.68
Furniture & Fittings	707.34	-	-	-	707.34	611.98	-	-	95.36	95.36
Office Equipments	663.85	-	-	-	663.85	449.07	-	-	214.78	214.78
Vehicles	1,676.21	-	-	-	1,676.21	1,051.23	-	-	624.98	624.98
Total	118,546.04	22,219.15	1,462.40	-	142,227.59	55,040.27	-	367.02	86,820.30	63,505.77

Notes:

- 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) Rules, 2009. Accordingly exchange difference of Rs Nil (2016: Rs 51.37 Lakhs and 2015: Rs 116.92 Lakhs) has been added to the cost of fixed assets and depreciation had been charged to the statement of profit and loss.
- Building includes Rs 523.06 Lakhs 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 Lakhs in Co-operative Societies and the Limited Company.
- 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.
- 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. (Refer Note No 41(f)).
- Encroachers have occupied some portion of the land belonging to the Company at Sahapuram. Efforts are being made to evict them.
- Previous year figures have been regrouped / rearranged to match with the current year.

Net block as per IGAAP and Ind AS as on 01st April 2015.

Property, Plant and Equipment	As per IGAAP				Rs in lakhs	
	Gross Block (At Cost)	Accumulated Depreciation/ Amortisation	Net Block	Ind AS Adjustment	Gross block as per Ind AS	
Land	536.57	-	536.57	19,741.61	20,278.18	
Buildings	9,702.44	3,467.86	6,234.58	4,077.54	10,312.12	
Plant and Machinery	93,118.82	47,030.00	46,088.82	(504.62)	45,584.20	
Windmill	12,140.81	2,430.13	9,710.68	-	9,710.68	
Furniture & Fittings	707.34	611.98	95.36	-	95.36	
Office Equipments	663.85	449.07	214.78	-	214.78	
Vehicles	1,676.21	1,051.23	624.98	-	624.98	
Total	118,546.04	55,040.27	63,505.77	23,314.53	86,820.30	



NOTES FORMING PART OF THE BALANCE SHEET

NOTE "6"

Investment Property

Cost:

Opening Balance	1.54	1.54	1.54
Additions During the Year	-	-	-
Disposals / Transfers During the Year	-	-	-

TOTAL

Fair Value

AS AT 31/03/2017	AS AT 31/03/2016	AS AT 01/04/2015
1.54	1.54	1.54
-	-	-
-	-	-
1.54	1.54	1.54
2914.00	2742.00	2742.00

Rs. in lakhs

The company's investment properties consist of agricultural land in Tamil Nadu, India & the fair valuation is based on current prices in the active market for similar properties. This valuation is based on valuations performed by an accredited independent valuer.

NOTE 7

INVESTMENTS (AT COST, UNLESS OTHERWISE SPECIFIED) :

INVESTMENTS IN EQUITY INSTRUMENTS :

Rs. in lakhs

	FACE VALUE PER UNIT RUPEES	31/03/2017		31/03/2016		01/04/2015	
		LONG TERM NUMBER	RUPEES	LONG TERM NUMBER	RUPEES	LONG TERM NUMBER	RUPEES
TRADE INVESTMENTS							
UNQUOTED : EQUITY SHARES IN DCW PIGMENT LTD.	10	8,600	0.86	50,000	5.00	50,000	5.00
NON-TRADE INVESTMENTS :							
UNQUOTED :							
(i) INVESTMENTS IN GOVERNMENT/TRUST SECURITIES : 7 YEARS NATIONAL SAVINGS CERTIFICATES	1000	10	0.10	10	0.10	10	0.10
(ii) INVESTMENT IN EQUITY SHARES OF THE DHRANGADHRA PEOPLES CO-OP. BANK LTD., *	25	10	0.250	10	0.250	10	0.250
(iii) INVESTMENT IN EQUITY SHARES IN COMPANIES : GLOBAL TRUST BANK LESS : PROVISION FOR DEMINITION OF VALUE IN SHARES	10	19,000	1.90	19,000	1.90	19,000	1.90
		19,000	1.90	19,000	1.90	19,000	1.90
TOTAL LONG TERM INVESTMENT			0.96		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)			2.86		7.00		7.00
(III) Aggregate value of diminution in value of investments			1.90		1.90		1.90

NOTES FORMING PART OF THE BALANCE SHEET



Rs. in lakhs

	AS AT 31/03/2017	AS AT 31/03/2016	AS AT 01/04/2015
NOTE "8"			
Non-Current Loans			
(Unsecured, considered good)			
Staff Loans	4.61	6.29	9.23
Security Deposits	495.69	434.78	355.73
VAT Refund Receivable	10.90	12.30	12.32
TOTAL	511.20	453.37	377.28
NOTE "9"			
OTHER NON-CURRENT ASSETS			
(Unsecured, considered good)			
Forward Contract Receivable	-	-	193.33
Capital Advances			
To Others	950.57	1,576.38	1,761.89
TOTAL	950.57	1,576.38	1,955.22
NOTE "10"			
INVENTORIES			
(As Certified by the Management)			
Raw materials	5,850.56	10,355.06	10,432.07
Work-in-process	288.09	184.66	66.48
Finished Goods	4,483.07	3,467.17	3,501.12
Stores, Spares and Fuel	2,742.42	2,617.34	2,404.97
Packing Materials	151.11	169.06	152.44
Packing Drums & Scrap	2.66	2.66	2.66
TOTAL	13,517.91	16,795.95	16,559.74
NOTE "11"			
TRADE RECEIVABLES			
Unsecured			
Debts Overdue for six months			
From Others			
Considered good	308.78	1,215.56	1,192.74
Considered doubtful	20.21	20.21	20.21
Less: Provision for doubtful debts	(20.21)	(20.21)	(20.21)
From Others			
Other debts	7,736.75	10,462.82	8,265.39
TOTAL	8,045.53	11,678.38	9,458.13
NOTE "12"			
CASH AND CASH EQUIVALENTS			
Balances with Banks			
In Current Accounts	142.58	158.49	326.48
Cheques on Hand	0.06	0.06	0.07
Cash on Hand	15.12	17.59	22.43
TOTAL	157.76	176.14	348.98



NOTES FORMING PART OF THE BALANCE SHEET

Rs. in lakhs

NOTE "13"

OTHER BANK BALANCES

Fixed Deposits pledged towards Margin Money with Banks

TOTAL

NOTE "14"

CURRENT LOANS

(Unsecured, considered good)

Staff Loans

Advance Recoverable in Cash or in Kind or for Value to be Received

TOTAL

NOTE "15"

OTHER CURRENT ASSETS

Prepaid Expenses

Statutory and Other Receivables

TOTAL

NOTE "16"

EQUITY SHARE CAPITAL

Authorised Capital

32,50,00,000 Equity Shares of Rs. 2/- each
(2016: 32,50,00,000 Equity Shares @ Rs. 2/- each)
(2015: 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
(2016: 21,96,81,407 shares of Rs. 2/- each)
(2015: 21,34,94,657 shares of Rs. 2/- each)

Face value per share

TOTAL

	AS AT 31/03/2017	AS AT 31/03/2016	AS AT 01/04/2015
Fixed Deposits pledged towards Margin Money with Banks	1.80	1.83	329.87
TOTAL	1.80	1.83	329.87
Staff Loans	84.67	102.98	96.42
Advance Recoverable in Cash or in Kind or for Value to be Received	4,752.83	738.53	2,046.42
TOTAL	4,837.50	841.51	2,142.84
Prepaid Expenses	440.47	232.03	321.52
Statutory and Other Receivables	1,412.37	1,810.30	4,009.27
TOTAL	1,852.84	2,042.33	4,330.79
Authorised Capital	6,500.00	6,500.00	6,500.00
TOTAL	6,500.00	6,500.00	6,500.00
Issued,Subscribed and Fully paid up	4,393.64	4,393.64	4,269.89
Face value per share	Rs 2/-	Rs 2/-	Rs 2/-
TOTAL	4,393.64	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 2007-08.

b) During the year 2015-16, 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 Equity 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 Shareholders holding more than 5% Shares:

Name of Shareholder	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	No of Shares	% Held	No of Shares	% Held	No of Shares	% Held
Sahu Brothers Pvt Ltd	52,459,860	23.88%	52,459,860	23.88%	51,259,860	24.01%

NOTES FORMING PART OF THE BALANCE SHEET



e) Reconciliation of number of equity shares at the beginning and end of the year

Particulars	As at 31-03-17 No of Shares	As at 31-03-16 No of Shares	As at 01-04-15 No of Shares
Equity Shares at the beginning of the year	219,681,407	213,494,657	209,790,953
Add: Shares issued on preferential basis	-	4,880,750	3,703,704
Add: Shares issued on conversion of warrants to promoters on preferential basis.	-	1,306,000	-
Equity Shares at the end of the year	219,681,407	219,681,407	213,494,657

	Rs. in lakhs		
	AS AT 31/03/2017	AS AT 31/03/2016	AS AT 01/04/2015
NOTE "17"			
OTHER EQUITY			
Retained Earnings			
As Per Last Account	13,671.42	11,959.33	7,709.19
Add: Opening Balance Adjustment due to Ind AS	-	-	4,250.14
Profit For the Year	2,014.73	1,712.09	-
Closing Balance	15,686.15	13,671.42	11,959.33
General Reserve			
As Per Last Account	32,024.13	32,024.13	31,301.04
Revaluation Reserve Transferred to General Reserve	-	-	723.09
Closing Balance	32,024.13	32,024.13	32,024.13
Money Received Against Share Warrants			
As Per Last Account	75.10	-	-
Additions During the Year	-	75.10	-
Closing Balance	75.10	75.10	-
Capital Reserve			
As Per Last Account	406.88	406.88	406.88
Capital Redemption Reserve			
As Per Last Account	5.30	5.30	5.30
Securities Premium Reserve			
As Per Last Account	12,893.12	11,593.90	10,667.98
Addition During the Year	-	1,299.22	925.92
Closing Balance	12,893.12	12,893.12	11,593.90
Other Comprehensive Income			
As Per Last Account	1.41	-	-
Additions During the Year	(12.42)	1.41	-
Closing Balance	(11.01)	1.41	-
TOTAL	61,079.67	59,077.36	55,989.54



NOTES FORMING PART OF THE BALANCE SHEET

NOTE NO. 18

NOTES FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31st MARCH 2017

(Rupees in Lakhs)

SRNO	PARTICULARS	31/03/2017	31/03/2017	31/03/2016	31/03/2016	01/04/2015	01/04/2015
		Non Current	Current Maturities	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)	1,718.75	625.00	2,187.50	312.50	1,000.00	1,000.00
2	TERM LOAN FROM KOTAK MAHINDRA BANK LTD (ING VYSYA BANK LTD) (Repayble in 24 equal quarterly installments, last installment falling due on Aug 2017)	-	-	50.70	241.80	292.50	350.10
3	ECB FROM ICICI BANK (Repayble in 12 equal Half yearly installments, last installment falling due on December, 2015)	-	-	-	-	-	2,101.00
4	TERM LOAN FROM ICICI BANK LTD (Repayble in 28 equal quarterly installments, last installment falling due in Jan, 2023)	4,313.67	1,071.01	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	-	-
6	Term Loan from PNB (Repayble in 28 equal quarterly installments, last installment falling due in Mar 2022)	9,318.35	1,785.71	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)	4,779.13	910.32	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 September -2023)	3,026.42	556.00	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)	562.50	750.00	1,312.50	750.00	2,062.50	750.00
10	Car Loans from Bank (Repayable in monthly installments, last installment is due in December, 2018)	12.48	43.05	56.60	59.69	44.55	94.53
11	State Bank of India (Repayble in 16 equal quarterly installments, last installment falling due in March, 2020)	1,400.00	800.00	2,400.00	800.00	3,000.00	800.00
	TOTAL A	25,131.30	6,541.09	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)	3,636.81	729.56	4,366.37	729.56	5,095.96	729.56

NOTES FORMING PART OF THE BALANCE SHEET



13	TERM LOAN FROM EXIM BANK (Repayble in 24 equal quarterly installments, last installment falling due in June 2016)	-	-	-	-	-	487.92
14	TERM LOAN FROM EXIM BANK (Repayble in 28 equal quarterly installments, last installment falling due in September, 2022)	10,755.71	2,530.72	13,286.31	2,530.73	15,184.34	2,530.73
15	TERM LOAN FROM EXIM BANK (Repayble in 28 equal quarterly installments, last installment falling due in January, 2023)	5,475.00	1,042.86	6,517.86	782.14	4,800.00	-
	TOTAL B	19,867.52	4,303.14	24,170.55	4,042.43	25,080.30	3,748.21
C	Term Loan from NBFC						
16	IFCI Limited (Repayble in 18 equal quarterly installments, last installment falling due in September 2022)	3,000.00	-	-	-	-	-
	TOTAL C	3,000.00	-	-	-	-	-
	Amount taken to current maturities of long term debts under other current liabilities (Note No 24)		10,844.23		11,155.20		9,915.26
	TOTAL (A + B + C)	47,998.82		55,499.74		56,739.65	

LOANS – Security : Banks/ Institutions

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

Institutions:

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

NBFC:

Term loan secured by first Pari Passu Charge on Fixed Assets (Both immovable and movable) of the Company (Both present and future), except Rajasthan Windmill Assets, and second Pari Passu charge on Current Assets of the Company (Both Present and Future).

Rs. in lakhs

NOTE "19"

NON-CURRENT PROVISIONS

Provision For Gratuity			
Provision For Leave Encashment			
TOTAL			

AS AT 31/03/2017	AS AT 31/03/2016	AS AT 01/04/2015
6.65	109.67	26.48
1,243.68	1,179.69	1,078.26
1,250.33	1,289.36	1,104.74



NOTES FORMING PART OF THE BALANCE SHEET

NOTE NO. 20

DEFERRED TAX LIABILITIES (NET)

(Rupees in Lakhs)

In compliance of Ind AS 12 on "Income Taxes", the item wise details of Deferred Tax Liabilities (Net) are as under:

Particulars	Op. Balance	Recog. in P&L	Recog. in OCI	Closing Balance
For The Year Ended 31st March 2017				
Deferred Tax Liabilities				
Difference Between accounting and tax depreciation	16,706.04	2,494.72	-	19,200.76
Total Deferred Tax Liabilities	16,706.04	2,494.72	-	19,200.76
Deferred Tax Assets				
Expenses Allowed on Payment Basis	578.65	(27.01)	6.57	558.21
Unabsorbed Depreciation	3,624.54	2,060.43	-	5,684.97
Unutilized Tax Credits	1,128.08	489.73	-	1,617.81
Total Deferred Tax Assets	5,331.27	2,523.15	6.57	7,860.99
Deferred Tax Liabilities (Net)	11,374.77	(28.43)	(6.57)	11,339.77
For The Year Ended 31st March 2016				
Deferred Tax Liabilities				
Difference Between accounting and tax depreciation	12,072.67	4,633.37	-	16,706.04
Total Deferred Tax Liabilities	12,072.67	4,633.37	-	16,706.04
Deferred Tax Assets				
Expenses Allowed on Payment Basis	372.09	207.30	(0.74)	578.65
Unabsorbed Depreciation	130.71	3,493.83	-	3,624.54
Unutilized Tax Credits	511.08	617.00	-	1,128.08
Total Deferred Tax Assets	1,013.88	4,318.13	(0.74)	5,331.27
Deferred Tax Liabilities (Net)	11,058.79	315.24	0.74	11,374.77

Deferred Tax Asset on unabsorbed depreciation, unabsorbed business losses and other temporary differences available as per the Income Tax Act, 1961 has been recognized, since it is probable that taxable profit will be available to adjust them in the future years. Unabsorbed depreciation which forms major portion of the Deferred Tax Asset can be carried forward and set off against the profits for unlimited number of years under the Indian Income Tax Act, 1961 and profitability projections based on current margins show sufficient profits for set-off in future.

Reconciliation of effective tax rate as a numerical reconciliation between tax expense and the product of account profit multiplied by the applicable tax rate

Particulars	2016-17	2015-16
Profit Before Tax	2,501.30	2,677.33
Applicable Tax Rate	34.61%	34.61%
Tax Using the Applicable Tax Rate	865.65	926.57
Tax Effect of:		
Add: Non-Deductible Tax Expenses	54.80	66.21
Less: Recognition of Tax Effect of Previously Unrecognized Tax Gains / (Losses)	(122.88)	50.57
Less: Investment Allowance Deduction	(311.00)	(78.11)
Tax Expense Recognized in the Statement of Profit & Loss	486.57	965.24
Weighted Average Tax Rate	19.45%	36.05%

The tax rate of 34.61% is applicable to the next financial year as well.

Tax Expenses recognized in the Statement of Profit & Loss / Other Comprehensive Income (OCI) are as below:

Particulars	2016-17	2015-16
A. Current Tax Expense	25.00	33.00
B. Deferred Tax Expense / (Asset) relating to		
- Origination and reversal of temporary differences	461.57	723.75
- Change in tax rates	-	208.49
- Recognition of previously unrecognized tax losses / (gains)	-	-
Total	461.57	932.24
Tax Expenses recognized in the Statement of Profit & Loss	486.57	965.24
Deferred Tax Liability/ (Asset) relating to re-measurement of the defined benefit plan (gratuity) recognized in OCI	(6.57)	0.74

NOTES FORMING PART OF THE BALANCE SHEET



Rs. in lakhs

NOTE "21"

OTHER NON-CURRENT LIABILITIES

	AS AT 31/03/2017	AS AT 31/03/2016	AS AT 01/04/2015
Capital Grants	1,325.87	1,398.72	1,462.40
Trade and Other Deposits	2,500.00	2,500.00	2,500.00
Dues From Related Parties (Refer Note No. 38b)	4.74	4.74	4.74

TOTAL

3,830.61

3,903.46

3,967.14

NOTE "22"

SHORT-TERM BORROWINGS

Demand Loans From Banks (Secured)			
Working Capital Loans	6,195.09	6,792.91	6,105.59
Line of Credit	8,014.27	11,257.88	5,264.04
Unsecured Loans			
From Related Parties	1,071.25	-	-
Others	2,846.00	-	-

TOTAL

18,126.61

18,050.79

11,369.63

Working capital loans from banks are secured by a first charge by way of hypothecation and/or pledge of current assets, namely, stocks of Raw 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 moveable 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 lenders viz., Banks / Financial Institutions / NBFC.

NOTE "23"

TRADE PAYABLES

	AS AT 31/03/2017	AS AT 31/03/2016	AS AT 01/04/2015
Acceptances Against Letters of Credit	18,999.27	16,117.28	21,275.53
Dues to Micro and Small Enterprises (Refer Note Below)	139.58	113.05	131.90
Dues to Other than Micro and Small Enterprises	7,989.17	6,787.32	7,976.42

TOTAL

27,128.02

23,017.65

29,383.85

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

Principal amount remaining due and unpaid	139.58	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	-	-	-



NOTES FORMING PART OF THE BALANCE SHEET

Rs. in lakhs

NOTE "24"

OTHER FINANCIAL LIABILITIES

Current Maturities of Long-Term Borrowings			
From Banks	6,541.09	7,112.77	6,167.05
From Financial Institutions	4,303.14	4,042.43	3,748.21
Interest Accrued but Not Due on Borrowings	47.68	70.63	76.32
Unclaimed Dividends	56.70	67.95	67.23
Unpaid Matured Deposits and Interest Accrued Thereon	(1.93)	0.04	0.04
Employee Related Liabilities	1,603.10	832.49	685.64
Trade and Other Deposits	449.33	406.74	402.72
Creditors for Capital Goods	2,920.63	3,029.34	2,726.53

TOTAL

15,919.74

15,562.39

13,873.74

NOTE "25"

OTHER CURRENT LIABILITIES

Statutory Liabilities	2,133.59	1,117.45	980.68
Advance Received From Customers	2,024.29	2,742.18	1,311.98

TOTAL

4,157.88

3,859.63

2,292.66

NOTE "26"

REVENUE FROM OPERATIONS

Direct sales of manufactured products	77,755.21	84,469.00
Consignment sales of manufactured products	35,379.21	36,837.91
Export sales of manufactured products	16,597.74	17,753.48
Sales of traded goods	61.55	7.96
Sale of Scrap and other materials	394.57	414.61

1,30,188.28

1,39,482.96

Other Operating Income

Sale of DEP B Licence	303.17	396.54
-----------------------	--------	--------

TOTAL

1,30,491.45

1,39,879.50

NOTE "27"

OTHER INCOME

Interest Income	166.01	24.62
(Net of TDS Rs 15.36 Lacs (PY Rs 0.96 Lacs))		
Profit on Sale of Fixed Assets	3.48	12.30
Unclaimed balance written back	158.71	4.01
Insurance claims received	95.39	45.90
Other Non-operating Income	109.25	247.22

TOTAL

532.84

334.05

NOTES FORMING PART OF THE BALANCE SHEET



Rs. in lakhs

NOTE "28"

COST OF RAW MATERIALS CONSUMED

Opening stock in hand and in process

Add: Purchase of Raw materials

Less: Closing stock in hand and in process

TOTAL

NOTE "29"

PURCHASE OF STOCK IN TRADE

Purchase of Stock in Trade

TOTAL

NOTE "30"

CHANGES IN INVENTORIES

Closing stock:

 Closing stock of Finished Goods

 Closing Stock of Work-in-process

 Closing stock of Packing Drums and Scrap

Opening Stock:

 Opening Stock of Finished Goods

 Opening Stock of Work-in-process

 Opening Stock of Packing Drums and Scrap

TOTAL

NOTE "31"

EMPLOYEE BENEFIT EXPENSES

Salaries and wages

Contributions to provident and other funds

Staff Welfare Expenses

Directors Remuneration (Net of Capitalisation
of Rs.67.09 lacs (PY. Rs.89.08 lacs))

TOTAL

NOTE "32"

FINANCE COSTS

Interest expense

Other borrowing costs

Bank Charges

Exchange differences regarded as an adjustment to
borrowing costs

TOTAL

	AS AT 31/03/2017	AS AT 31/03/2016
	10,355.06	10,432.07
	55,739.47	61,428.45
	5,850.56	10,355.06
	60,243.97	61,505.46
	62.80	11.31
	62.80	11.31
	(4,483.07)	(3,467.17)
	(288.09)	(184.66)
	(2.66)	(2.66)
	(4,773.82)	(3,654.49)
	3,467.17	3,501.12
	184.66	66.48
	2.66	2.66
	3,654.49	3,570.26
	(1,119.33)	(84.23)
	8,248.20	7,576.92
	824.34	965.72
	674.19	639.37
	469.62	458.16
	10,216.35	9,640.17
	5,473.00	5,189.10
	-	75.83
	183.52	532.16
	1.02	-
	5,657.54	5,797.09

NOTES FORMING PART OF THE BALANCE SHEET

Rs. in lakhs

NOTE "33"

OTHER EXPENSES

	AS AT 31/03/2017	AS AT 31/03/2016
Packing charges	1,659.62	1,690.40
Power and fuel	17,770.44	21,361.87
Operating and maintenance expenses	2,313.45	1,579.92
Rent	76.22	84.74
Repairs to building	813.93	1010.93
Repairs to machinery	5,331.73	5,586.97
Repairs to other assets	403.13	692.88
Insurance	356.99	358.54
Rates and Taxes	103.30	78.94
Licence fees	66.85	58.85

TOTAL A

28,895.66 **32,504.04**

Payments to auditors

as auditors	12.50	12.50
for taxation matters (Includes Tax Audit Fees Rs. 4 Lakhs (Previous year Rs. 4 Lakhs))	7.60	7.61
for other services	5.45	8.50
for reimbursement of expenses	2.51	4.49

TOTAL B

28.06 **33.10**

Travelling expenses	196.16	259.31
Conveyance expenses	272.53	284.86
Advertisement expenses	10.21	12.62
Professional fees	344.38	406.28
Directors Sitting Fees	2.50	3.20
Assets Sold or Written off	289.30	2.96
Wealth tax paid	-	6.61
Donation	3.69	6.10
Freight, Transportation, Loading and other Charges (net)	2,891.28	3,981.20
Vehicle expenses	127.98	143.61
Exchange Difference (Net)	(335.75)	1,695.42
Miscellaneous Expenses	1,031.25	885.18

TOTAL C

4,833.53 **7,687.35**

TOTAL (A + B + C)

33,757.25 **40,224.49**

NOTE "34"

OTHER COMPREHENSIVE INCOME

Items that will not be reclassified to profit or loss

Remeasurement of Defined Benefit Plans	(18.99)	2.15
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Income Tax on items that will not be reclassified to profit or loss

Remeasurement of Defined Benefit Plans	6.57	(0.74)
--	------	--------

TOTAL

(12.42) **1.41**

NOTES FORMING PART OF THE BALANCE SHEET



NOTE "35" CONTINGENT LIABILITIES AND COMMITMENTS:

a. Contingent Liabilities (to the extent not provided for)

(Rs. in lakhs)

	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
A. CONTINGENT LIABILITIES NOT PROVIDED FOR:			
Disputed Sales Tax Demands	3,406.65	3,406.71	3,271.89
Disputed Excise/ Service tax Demands	597.11	628.63	635.61
Disputed Customs Demands	5,394.87	5,245.61	3,121.26
Company's contribution to ESI not made pursuant to petitions for exemption pending before High Court	186.82	186.66	156.57
Lease Rent, Local Cess, Octroi, and Interest on Octroi, Surcharge, Stamp Duty, Water and Electricity duty.	8,816.54	8,700.62	8,472.34
Disputed Industrial relations matters	560.40	557.08	521.96
B. CLAIMS NOT ACKNOWLEDGED AS DEBTS:	-	-	-
TOTAL	18,962.39	18,725.31	16,179.63
C. GUARANTEE AS A MEMBER OF THE ALKALI MFG. ASSN. (A Company Limited by Guarantee)	Rs. 500	Rs. 500	Rs. 500

b. Commitments:

- i) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for is Rs. 3,591 lakhs (31st March, 2016: Rs. 9,086 lakhs, 01st April, 2015: Rs.13,972 lakhs).
- ii) In respect of land on lease, the future obligations towards lease rentals under the lease agreements as on 31st March, 2017 amount to Rs. 1,114.80 lakhs (31st March, 2016: Rs. 35.90 lakhs, 01st April, 2015: Rs. 42.10 lakhs)
- iii) The Company has given an undertaking for the purposes of obtaining 100% Export Oriented Unit status that it would achieve positive net foreign exchange earnings as prescribed in the EOU Scheme for a period of five years from May 2015. The Company is hopeful of achieving the said parameters and does not expect any liability on this account as on the Balance sheet date.
- iv) The company does not have any other commitments.

Note:

- i) The company does not expect any reimbursement in respect of the above contingent liabilities.
- ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at 35.a, above, pending resolution of the appellate proceedings.

NOTE 36:

- 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 Non-Current Liabilities includes security deposits received towards sale of CPVC.



NOTE 37 : LEASE RENTALS FOR NON-CANCELLABLE OPERATING LEASES:

- a. Lease rentals are charged to the Statement of Profit and Loss and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreement.
- b. The Company has a lease agreement for a period of 30 years (up to March, 2047) with V.O.Chidambaranar Port Trust for the land taken on lease for storage Vinyl Chloride Monomer (VCM). The aggregate future fixed minimum lease payments under the agreement are as under:

(Rs. in lakhs)

	31.03.2017	31.03.2016	01.04.2015
Not later than one year	37.16	35.90	42.10
Later than one year and not later than 5 years	148.64	-	-
Later than 5 years	929.00	-	-
Total	1,114.80	35.90	42.10

NOTE 38 - RELATED PARTY DISCLOSURES AS PER IND-AS 24:

- a. Relationships:
- i) 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
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 Pvt. Ltd.	
DCW Pigments Ltd.	
Florida Holdings & Trading Pvt. Ltd	

ii) Key management personnel and their relatives:

Shri P.K. 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 Jain	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 Indian Accounting Standard (Ind AS) - 24 disclosed above is as identified by the company and relied upon by the auditors.

b. Disclosure of Transactions between the company and related parties and the status of outstanding balances as on 31st March 2017

(Rs. in lakhs)

Particulars	Enterprise / Key Management	Relationship	31st March 2017	31st March 2016	01st April 2015
Money Received towards Share Capital	Shri P K Jain	Chairman & Managing Director	-	275.20	-
	Shri Bakul Jain	Managing Director	-	125.01	-
	Shri Mudit Jain	Managing Director	-	150.19	-
	Smt. Vandana Jain	Relative of Key Management Personnel	-	125.01	-
	Shri Saatvik Jain & Shri Vivek Jain	President Managing Director	-	100.00	-
	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	-
Dhrangadhra Trading Company Pvt. Ltd	-		28.00	-	
Convertible Warrants	Shri Bakul Jain	Managing Director	-	37.55	--
	Shri Saatvik Jain & Shri Vivek Jain	President Managing Director	-	37.55	--
Purchase of goods	M/s. Kishco Pvt. Ltd.	Entities in which key management personnel & or their relatives have significant influence	1.53	1.74	-
Inter Corporate Deposit taken	M/s. Sahu Brothers Pvt. Ltd.	Entities in which key management personnel & or their relatives have significant influence	-	235.00	-
	M/s. Jain Sahu Brothers Properties Pvt. Ltd.		-	45.00	-
	Dhrangadhra Trading Company Pvt. Ltd.		-	28.00	-
		Total	-	308.00	-
Inter Corporate Deposit repaid	M/s. Sahu Brothers Pvt. Ltd.	Entities in which key management personnel & / or their relatives have significant influence	-	235.00	-
	M/s. Jain Sahu Brothers Properties Pvt. Ltd.		-	45.00	-
	Dhrangadhra Trading Company Pvt. Ltd.		-	28.00	--
		Total	-	308.00	-
Unsecured loan taken	Shri. Vivek Jain	Managing Director	1,240.75	708.00	-
	Shri P.K. Jain	Chairman & Managing Director	175.00	530.00	-
	Shri. Mudit Jain	Managing Director	-	150.00	-

NOTES FORMING PART OF THE BALANCE SHEET

Particulars	Enterprise/ Key Management	Relationship	31st March 2017	31st March 2016	01st April 2015
	Shri. Bakul Jain	Managing Director	-	157.00	-
		Total	1,415.75	1,545.00	-
Unsecured Loan Repaid	Shri. Vivek Jain	Managing Director	319.50	708.00	-
	Shri P.K. Jain	Chairman & Managing Director	25.00	530.00	-
	Shri. Mudit Jain	Managing Director	-	150.00	-
	Shri. Bakul Jain	Managing Director	-	157.00	-
		Total	344.50	1,545.00	-
Unsecured Loan Balances as on 31st March, 2017	Shri. Vivek Jain	Managing Director	921.25	-	--
	Shri P.K. Jain	Chairman & Managing Director	150.00	-	--
		Total	1,071.25	-	--
Interest Paid	M/s. Sahu Brothers Pvt. Ltd.	Entities in which key management personnel & or their relatives have significant influence	-	17.30	--
	M/s. Jain Sahu Brothers Properties Pvt. Ltd.		-	3.31	--
	Shri P.K. Jain	Chairman & Managing Director	6.74	4.11	--
	Shri Vivek Jain	Managing Director	27.21	12.89	--
		Total	33.95	37.61	--
Sale of Investments	DCW Pigments Ltd.	Entities in which key management personnel & or their relatives have significant influence	4.14	-	-
Balances	M/s. Dhrangadhra Trading Company Pvt. Ltd.	Entities in which key management personnel & or their relatives have significant influence	(4.74)	(4.74)	(4.74)
		Total	(4.74)	(4.74)	(4.74)
Transaction with Key Management Personnel					
A. Remuneration paid to Key Management Personnel & their Relatives	Shri P.K. Jain	Chairman & Managing Director	137.39	136.82	-
	Shri. Bakul Jain	Managing Director	137.39	136.82	-
	Shri. Vivek Jain	Managing Director	137.39	136.82	-
	Shri. Mudit Jain	Managing Director	137.39	136.82	-
	Shri. Ashish Jain	Senior President	133.85	125.91	-
	Mrs. Paulomi Jain	President	133.84	125.91	-
	Mrs. Malti Bhindi	President	131.60	122.01	-
	Shri. Saatvik Jain	President	129.26	120.78	-
	Shri. Vimal Jain	Chief Financial Officer	61.22	55.85	-
	Smt. Jigna Karnick	Dy. Company Secretary	12.18	11.10	-
		Total	1,151.51	1,108.84	-
B. Sitting Fees	Shri. Sodhsal Singh Dev of Dhrangadhra	Independent Director	0.80	1.00	-
	Shri. Salil Kapoor	Independent Director	0.15	0.45	-
	Ms. Sujata Rangnekar	Independent Director	0.70	0.75	-
	Shri. D. Ganapathy	Independent Director	0.85	1.00	-

NOTES FORMING PART OF THE BALANCE SHEET



NOTE 39:

Sales Tax Assessments of Dhrangadhra Unit are pending for 1994-95, 1995-96, 1997-98, 2004-05, 2005-06 and 2012-13 to 2015-16. In respect of Sahupuram Unit Central Sales Tax Assessments and Tamil Nadu General Sales tax assessment are completed up to 2010-11.

NOTE 40 - FINANCIAL DERIVATIVE INSTRUMENTS:

- a. Derivative contracts entered into by the Company and outstanding as on 31st March, 2017 for Hedging currency and interest related risks
Nominal amount of derivative contracts entered by the company and outstanding is given below:

Sr. No.	Particulars	31st March, 2017 US\$ Mn	31st March, 2016 US\$ Mn	01st April 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, 2017, amount to US\$ 38.90 mn. (31st March 2016: US\$ 40.72 mn., 01st April 2015: 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.

NOTE 41:

- a. The Tamilnadu 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 Tamilnadu'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.2,026.72 lakhs and interest of Rs.1,541.98 lakhs 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 lakhs.

The appeal 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 lakhs 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, which is an "Operating Lease" , 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

NOTES FORMING PART OF THE BALANCE SHEET

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.1,311.31 lakhs along with applicable interest of Rs.490.58 lakhs and imposed penalty of Rs.1,309 lakhs. 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 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, 2017 the duty liability is Rs.2,124.36 lakhs (Previous year - Rs 1,971.01 lakhs). Since the Company has got the favourable order from the adjudicating authority in some of the shipments made by the Company, relating to the same period, the Company is hopeful of getting favourable order in all the shipments where the duty has been demanded by the department.
- e. In the matter of disputed demand of Rs.498.94 lakhs 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. The Company has made provision to the extent of Rs 200 lakhs on the contention that the rates prescribed for industrial purpose as in the past would be applicable and balance amount of demand has been disclosed under contingent liability.
- f. Land includes a land costing Rs 3.91 lakhs (fair valued at Rs 2,380.20 lakhs on transition date) admeasuring 793.39 acres at Sahupuram Works, the assignment deeds in respect of which are yet to be executed by the State Government in favour of the Company.

The Company had remitted the above land cost as per State Government order in the year 1989. The assignment deed of the said land in favour of the Company was not executed by the State Government, demanding double the market value of the land and the State Government demanded lease rent from 1989. As the assignment deed of the land was not executed by the State Government, the Company filed writ petition before the Honourable Madras High Court which ordered the State Government to pass orders on merits on the application seeking the said assignment, filed by the Company and granted interim stay against collection of lease rent.

The State Government vide order dated 31st March, 2017, has finally rejected the request for the assignment of land citing non-fulfilment of certain condition of original lease, and ordered to collect the arrears of lease rent from 1989 to till date with 12% interest and also issued orders to repossess the said land. The Company has filed writ petition against the said order before the Honourable Madras High Court which is pending for hearing.

The Company has been legally advised that it has a very good case on the above matter and hence the ownership of the land would eventually be transferred in the name of the Company as per Sec 53A of the Transfer of Property Act. The lease rent demanded has been disclosed under Contingent Liability and therefore the land is treated as "freehold".

NOTES FORMING PART OF THE BALANCE SHEET



NOTE 42 - DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD-19 "EMPLOYEE BENEFITS":

The Company has classified the various benefits provided to employees as under:

a. 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 lakhs)

Particulars	31st March 2017	31st March 2016
Provident Fund	445.77	389.29
Superannuation Fund	208.61	202.93
Employees' Pension Scheme, 1995	237.61	239.21

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.

b. Defined Benefit Plans:

		Gratuity (Funded)	
		31st March, 2017	31st March, 2016
1	Change in Benefit Obligation		
	Liability at the beginning of the year 1st April' 2016	2,871.39	2,707.94
	Interest cost	217.08	216.91
	Current Service Cost	129.41	119.03
	Benefit Paid	(227.12)	(162.03)
	Actuarial (gain) / Loss on obligation	(0.21)	(10.45)
	Liability at the end of the year	2,990.55	2,871.39
2	Changes in the Fair Value of Plan Assets		
	Present Value of Plan Assets as at 1st April, 2016	2,761.72	2,557.33
	Expected Return on Plan Assets	208.79	204.84
	Actuarial (Gain)/Loss	18.79	8.30
	Employers' Contributions	-	0.92
	Benefits Paid	(5.39)	(9.67)
	Present Value of Planned Assets as at 31st March, 2017	2,983.91	2,761.72
3	Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets		
	Present Value of Defined Benefit Obligation as at 31st March, 2017	(2,990.55)	(2,871.39)
	Fair Value of Plan Assets as at 31st March, 2017	2,983.91	2,761.72
	Net Liability recognized in the Balance Sheet as at 31st March, 2017	(6.65)	(109.67)
4.	Expenses Recognized in the Profit and Loss Account		
A	Service Cost	129.41	119.03
B	Interest Cost	8.29	12.06
C	Expected Return on Plan Assets	(208.79)	(204.84)
D	Curtailment Cost/(Credit)	-	-
E	Settlement Cost/(Credit)	-	-
F	Net Actuarial (Gain)/Loss	(18.99)	(18.75)
	Total Expenses recognized in the Profit and Loss A/c	118.71	112.34

NOTES FORMING PART OF THE BALANCE SHEET

(Rs. in lakhs)

		Gratuity (Funded)	
		31st March 2017	31st March 2016
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,2017		
A	Govt of India Securities	-	-
B	Corporate Bonds	-	-
C	Special Deposit Scheme	-	-
D	Equity Shares of Listed Companies	-	-
E	Property	-	-
F	Insurance Managed Funds	2,983.91	2,761.72
G	Others	-	-
	Total	2,983.91	2,761.72
6.	Amount recognised in Other Comprehensive Income (OCI)		
	Acturial (Gains) / Losses on Obligations for the period	0.21	(10.45)
	Re-measurement(Return on Plan Assets Excluding Interest Income)	18.79	8.30
	Change in Asset Ceiling	-	-
	Net (Income) / Expenses for the period recognized in OCI	18.99	(2.15)
7.	Actuarial Assumptions		
	Retirement age	58	58
	Discount rate	7.51%	7.56%
	Mortality	Indian Assured Lives Mortality (2006-2008) Ultimate	
	Withdrawal rate	2%	2%
	Salary escalation	4%	4%

Other Details		
No of active members	2,047	1,964
Per month salary for active members	475.11	447.72
Average expected future service - in years	11	10
Projected benefit obligation (PBO)	2,990.55	2,871.39
Projected benefits payable in future years from the date of reporting		
1st following year	692.33	564.14
Sum of years 2 to 5	1,057.43	1,081.32
Sum of years 6 to 10	1,339.55	1,299.57
Sensitivity analysis on PBO	31st March, 2017	31st March, 2016
Delta effect of 1% increase in rate of discounting	(139.54)	(141.11)
Delta effect of 1% decrease in rate of discounting	155.08	156.91
Delta effect of 1% increase in rate of salary escalation	159.00	160.95
Delta effect of 1% decrease in rate of salary escalation	(145.33)	(147.03)
Delta effect of 1% increase in rate of attrition	32.46	33.70
Delta effect of 1% decrease in rate of attrition	(35.44)	(36.70)

NOTES FORMING PART OF THE BALANCE SHEET



NOTE NO. 43 : Earning per share (EPS) as per Indian Accounting Standard - 33

Rs. Lakhs

	2016-17	2015-16
Profit/ (Loss) after Tax	2,002.31	1,713.50
No. of Equity shares of Rs.2 each outstanding as on 31.3.2017	21,96,81,407	21,96,81,407
Weighted Average Number of Equity Shares Outstanding during the year		
For Basic	21,96,81,407	21,96,81,407
For Diluted *	22,00,05,773	21,56,92,137
EPS (Rs.)		
Basic	0.91	0.79
Diluted	0.91	0.79

*After considering share warrants pending allotment which are potentially dilutive.

NOTE 44 - SEGMENT INFORMATION FOR THE YEAR 2016-17

	CAUSTIC	SIOP	PVC	CPVC	SODAASH	OTHERS	TOTAL
Segment Revenue							
External Revenue	41491.77	3133.84	65889.20	-	19498.26	1011.23	131024.29
	(54131.09)	(1061.40)	(78455.45)		(5211.95)	(1353.67)	(140213.60)
Segment Results	4229.37	(2922.47)	4566.01	(114.64)	2159.98	221.58	8139.84
	(7408.54)	(-1571.03)	(14865.87)	-	(-12931.04)	(704.22)	(8476.56)
Add: Unallocated Corporate income	-	-	-	-	-	-	-
Less:							
Finance Charges							(5657.54)
							(-5797.09)
Current Tax (net of MAT Credit Entitlement)							(25.00)
							(-33.00)
Deferred Tax							(455.00)
							(-932.98)
Net Profit							2002.31
							(1713.50)
Segment Assets	89936.70	7655.30	142033.67	23048.89	(85525.93)	18024.45	195173.08
	(82047.29)	(16741.96)	(165145.82)	-	(-87470.82)	(19832.67)	(196296.93)
Add: Unallocated Corporate Assets							52.01
							(5.10)
Total							195225.09
							(196302.03)
Segment Liabilities	14266.17	33302.74	25750.18	20740.59	1983.93	22368.44	118412.05
	(15844.07)	(36302.31)	(51524.98)	-	(4946.79)	(12838.15)	(121456.29)
Add: Unallocated Corporate liabilities							76813.04
							(74845.74)
Total							195225.09
							(196302.03)
Capital Expenditure							9018.19
Depreciation	2997.51	1626.33	638.64	175.60	853.57	501.26	6792.91
	(3449.97)	(1423.34)	(636.04)	-	(886.81)	(501.24)	(6897.42)

NOTE NO 45 - EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITY(CSR) ACTIVITIES:

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

(Rs. in lakhs)

Sr. No.	Particulars	In Cash	Yet to be paid in cash	31st March, 2017	31st March, 2016
1	Construction/acquisition of any asset	-	-	-	-
2	Other purposes other than above	-	-	53.25	68.04

NOTE NO 46 - Disclosure on Specified Bank Notes (SBNs):

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	Total		Sub Total
	SBNs	Other Denomination notes	
Closing cash in hand as on 08th Nov., 2016	1,529,500.00	907,707.38	2,437,207.38
(+) Permitted receipts	-	5,227,077.46	5,227,077.46
(-) Permitted payments	603,000.00	3,872,332.00	4,475,332.00
(-) Amount deposited in Banks	926,500.00	-	926,500.00
Closing cash in hand as on 30th Dec., 2016	-	2,262,452.84	2,262,452.84

NOTE 47- FAIR VALUE MEASUREMENTS:

The following disclosures are made as required by Ind AS -113 pertaining to Fair value measurement:

a. Accounting classification and fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial Liabilities	Carrying amount at Amortised Cost	Fair value	Fair value measurement hierarchy level
As on 31 March, 2017 Fixed Rate Borrowings	-	-	Level 2
As on 31 March, 2016 Fixed Rate Borrowings	-	-	Level 2
As on 1 April, 2015 Fixed Rate Borrowings	2,101.00	2,146.67	Level 2

b. Measurement of fair values:

The following tables shows the valuation techniques used in measuring Level 2 fair values.

Type	Valuation technique
Fixed Rate Borrowings	Discounted cash flows: The valuation model considers the present value of expected payment discounted using appropriate discounting rates.

c. Financial risk management

The Company has exposure to the Credit risk, Liquidity risk and Market risk arising from financial instruments.

Risk Management Framework: The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee (RMC), which is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits to control / monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted by internal audit. Internal audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is approved by the Board of Directors.

d. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

Trade receivables: The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The following table provides information about the exposure to credit risk and measurement of loss allowance using Life time expected credit loss for trade receivables:

(Rs. in lakhs)

	Up to 6 Mths.	6 Mths. to 1 yr.	1 year to 3 years	More than 3 years	Total
As on 31 March, 2017					
Gross Carrying Amount	7,736.75	308.78	-	20.21	8,065.74
Specific Provision	-	-	-	20.21	20.21
Carrying Amount	7,736.75	308.78	-	-	8,045.53
As on 31 March, 2016					
Gross Carrying Amount	10,462.82	1,215.56	-	20.21	11,698.59
Specific Provision	-	-	-	20.21	20.21
Carrying Amount	10,462.82	1,215.56	-	-	11,678.38
As on 01 April, 2015					
Gross Carrying Amount	8,265.39	1,192.74	-	20.21	9,478.34
Specific Provision	-	-	-	20.21	20.21
Carrying Amount	8,265.39	1,192.74	-	-	9,458.13

Cash and cash equivalents:

The Company held cash and cash equivalents of Rs.157.78 lakhs as at 31 March, 2017 (31 March, 2016 : Rs. 176.15 lakhs, 01 April, 2015 : Rs. 243.31 lakhs). The cash and cash equivalents are held with reputed banks.

e. Liquidity Risk:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(Rs. in lakhs)

	Contractual cash flows					
	Carrying amount	Up to 1 year	1-2 years	2-5 years	Less than 5 years*	Total
As on 31st March, 2017						
Non-derivative financial liabilities						
Borrowings	76969.66	28970.84	12878.62	27713.29	7406.91	76969.66
Interest	47.67	47.67	-	-	-	47.67
Trade payables	27128.02	27128.02	-	-	-	27128.02
As on 31st March, 2016						
Non-derivative financial liabilities						
Borrowings	84705.73	29205.99	10801.58	29559.20	15138.96	84705.73
Interest	70.62	70.62	-	-	-	70.62
Trade payables	23017.63	23017.63	-	-	-	23017.63
As on 01st April, 2015						
Non-derivative financial liabilities						
Borrowings	78024.54	21284.89	10439.97	29390.78	16908.90	78024.54
Interest	76.31	76.31	-	-	-	76.31
Trade payables	29383.85	29383.85	-	-	-	29383.85

f. Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices, will affect the Company's income or the value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables, long term debt and commodity prices. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and commodity price risk.

Interest rate risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through the Statement of profit and loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to Interest rate risk:

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing long term financial instruments is as follows:

Particulars	31st March, 2017	31st March, 2016
Fixed-rate instruments	-	-
Financial liabilities - measured at amortised cost	-	-
Variable-rate instruments	-	-
Financial liabilities - measured at amortised cost	47,998.82	55,499.74
Total	47,998.82	55,499.74

Cash flow sensitivity analysis for variable-rate instruments: A reasonably possible decrease by 100 basis points in interest rates at the reporting date would have positive impact (before tax) by Rs. 479.99 lakhs and Rs.554.99 lakhs for the outstanding balance as on 31/3/2017 and 31/3/2016 respectively. Similarly a reasonable possible increase by 100 basis points in interest rate would have negative impact (before tax) by same amounts.

Currency risk :

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee.

To the extent the exposures on purchases and borrowings are not economically hedged by the foreign currency denominated receivables, the Company uses derivative instruments, like, foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange and principal only swap rates. Company does not use derivative financial instruments for trading or speculative purposes.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposure.

Exposure to currency risk:

The currency profile of financial assets and financial liabilities as on 31st March, 2017, 31st March, 2016 and 1st April, 2015 are as below:

(Rs. in lakhs)

	Total	INR	USD
As on 31st March, 2017			
Financial assets			
Cash and cash equivalents	159.56	159.56	
Short-term loans and advances	4,837.50	4,837.50	
Trade and other receivables	8,045.53	6,533.94	1,511.59
Other Non-current financial asset	512.16	512.16	
Exposure for assets (A)	13,554.75	12,043.16	1,511.59
Financial liabilities			
Long term borrowings	47,998.82	47,998.82	-
Short term borrowings	18,174.28	10,142.51	8,031.77
Trade and other payables	27,128.02	9,413.89	17,714.13
Other Current financial liabilities	15,919.74	13,260.43	2,659.31
Exposure for liabilities (B)	109,220.86	80,815.65	28,405.21
Net exposure (B-A)	95,666.11	68,772.49	26,893.62

As on 31st March, 2016			
Financial assets			
Cash and cash equivalents	177.97	177.97	
Short-term loans and advances	841.51	841.51	
Trade and other receivables	11,678.38	11,318.02	360.36
Other Non-current financial asset	458.47	458.47	
Exposure for assets (A)	13,156.33	12,795.97	360.36
Financial liabilities			
Long term borrowings	55,499.74	55,499.74	-
Short term borrowings	18,050.79	6,624.15	11,426.64
Trade and other payables	23,017.65	7,355.53	15,662.12
Other Current financial liabilities	15,562.39	14,950.24	612.15
Exposure for liabilities (B)	112,130.57	84,429.66	27,700.91
Net exposure (B-A)	98,974.24	71,633.69	27,340.55

	Total	INR	USD
As on 01st April, 2015			
Financial assets			
Cash and cash equivalents	678.85	678.85	
Short-term loans and advances	2,142.84	2,142.84	
Trade and other receivables	9,458.13	9,242.00	216.13
Other Non-current financial asset	382.38	382.38	
Exposure for assets (A)	12,662.20	12,446.07	216.13
Financial liabilities			
Long term borrowings	56,739.65	56,739.65	
Short term borrowings	11,369.63	5,668.10	5,701.53
Trade and other payables	29,383.85	7,805.88	21,577.97
Other Current financial liabilities	13,873.74	11,845.18	2,028.56
Exposure for liabilities (B)	111,366.87	82,058.81	29,308.06
Net exposure (B-A)	98,704.67	69,612.74	29,091.93

Sensitivity analysis:

A reasonably possible strengthening of the Indian Rupee against USD at March, 31 by 4% would have positive impact (before tax) by Rs. 1,075.74 lakhs and Rs. 1,093.62 lakhs for the net outstanding balance as on 31/3/2017 and 31/3/2016 respectively. Similarly a reasonably possible weakening of the India Rupee against USD would have a negative impact (before tax) by same amounts.

Capital Management

For the purpose of the Company's capital management, capital includes issued capital, convertible instruments and reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments, if any, required in the light of the current economic environment and other business requirements.

Note 48:**Disclosures as required by Indian Accounting Standard (Ind AS) 101 - First Time Adoption of Indian Accounting Standards****First Time Adoption of Ind AS**

The financial statements for the year ended 31st March, 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended on 31st March, 2017, together with the comparative period data as at and for the year ended 31st March, 2016. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2015, the Company's date of transition to Ind AS. This note explains the mandatory exceptions and optional exemptions availed by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2015 and the financial statements as at and for the year ended 31st March, 2016.

(i) Mandatory exceptions:

a) Estimates:

The estimates as at 1st April, 2015 and 31st March, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1st April, 2015, the date of transition to Ind AS and as at 31st March, 2016.

b) Derecognition of financial assets & financial liabilities

The Company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

(ii) Optional exemptions (allowed as per Ind AS 101):

a) Long Term Foreign Currency Monetary Items:

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items (foreign currency borrowings) recognized in financial statements for period ended immediately before beginning of first Ind AS financial reporting period as per previous GAAP i.e. 01st April, 2016.

b) Use of Fair value as Deemed cost

The Company has elected the option of fair value as deemed cost for all its Property, Plant & Equipment as at the date of transition to Ind AS.

c) The Company has elected to apply previous GAAP carrying amount of its investment in a subsidiary as on the date of transition to Ind AS.

NOTES FORMING PART OF THE BALANCE SHEET

Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016

Particulars	Note	Rs in Lakhs
Net Profit/(Loss) As Per Earlier IGAAP		1854.58
Effect of Fair Valuation of Property, Plant and Equipment	a	(148.31)
Effect for Remeasurement of Employee Benefits	b	(1.41)
Effect of depreciation on recognition of Capital Grant	c	(63.68)
Effect of amortisation of Capital Grant	c	63.68
Deferred Tax Impact	d	7.23
Net Profit/(Loss) As Per Ind-AS		1712.09
Other Comprehensive Income		1.41
Total Comprehensive Income As Per Ind-AS		1713.50

Reconciliation of Equity

Rs in lakhs

Particulars	Note	31-Mar-16	01-Apr-15
Equity As Per Earlier IGAAP		59259.32	56009.29
Effect of Fair Valuation of Property, Plant and Equipment	a	4167.58	21852.14
Effect for fair valuation of Capital Work In progress	a	-	(17500.00)
Effect of amortisation of Capital Grant	c	63.68	-
Effect of depreciation on recognition of Capital Grant	c	(63.68)	-
Effect on Property, Plant & Equipment on recognition of Capital Grant	c	-	1462.40
Accounting for Capital Grant	c	-	(1462.40)
Transfer from money received against share warrants		75.10	-
Deferred Tax	d	(31.00)	(102.00)
Equity As Per Ind-AS		63471.00	60259.43

a) Fair Valuation of Property, Plant and Equipment

The Company has elected the option of fair value as deemed cost for Property, Plant & Equipment and Capital Work in Progress as on the date of transition date to Ind-AS. This has resulted in increase of Rs 4352.14 Lakhs in the value of Property, Plant & Equipment and reduction in the value of Capital Work in Progress with corresponding net increase in retained earnings of Rs 4250.14 Lakhs and deferred tax liability of Rs 102.00 Lakhs.

Fair value as Deemed cost as on transition date for respective category of Plant, Property and Equipment and Capital Work in Progress is as under:

Category	Carrying Value under IGAAP	Fair value adjustments	Carrying value under Ind-AS
Land - Freehold	533.23	19741.60	20274.83
Building	429.58	4077.54	4507.12
Plant & Machinery	361.18	(1957.00)	-
Furniture & Fittings	10.00	(10.00)	-
Capital Work in Progress	57510.00	(17500.00)	40010.00

b. Defined Employee Benefit Liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit or Loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in OCI. Due to this, for the year ended 31st March, 2016, the employee benefit cost is reduced by Rs 1.41 lakhs and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI.

c. Capital Grant

The Company availed government grant in the form of duty exemption on import of Plant & Machinery in respect of SIOP Project in earlier years for which the export obligation is still pending. The said grant was deducted from the carrying amount of fixed asset as permitted under Indian GAAP. As per Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, such a grant is required to be accounted by setting up the grant as deferred income on the date of transition and amortizing it over the useful life of the asset in the proportion in which depreciation expense is recognised. Due to this, the depreciation for the year 2015-16 is increased and the amortisation of the grant is credited to the Statement of Profit & Loss by equal amount.

d. Deferred Tax

NOTES FORMING PART OF THE BALANCE SHEET



Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in relation to the underlying transaction either in retained earnings or a separate component of equity.

e. Recognition of investment property

The investment property are reclassified from PP&E and presented separately amounting to Rs. 1.54 lakhs (as at 01/04/2015 - Rs 1.54 lakhs) as on date of transition to Ind AS by reclassifying from PP&E.

f. Revaluation surplus under Indian GAAP

The Company has elected cost model for its PP&E and thus, the revaluation surplus existing as on the transition date under Indian GAAP amounting to Rs.723.09 lakhs has been derecognized in the retained earnings on the date of transition.

g. Excise Duty

Excise duty of Rs.13,544.51 lakhs on account of sale of goods have been included in revenue as it is on own account because it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not.

Standards Issued but not yet effective

The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2017 to amend Ind AS 7 'Statement of Cash flows', Ind AS 102 "Share-based payment" which will come into force on 1st April, 2017 and Ind AS 115 "Revenue from Contracts with Customers" which is effective from 1st April, 2018. These have not been adopted early by the company and accordingly, have not been considered in the preparation of the financial statements. The company intends to adopt these standards, if applicable, when they become effective. The information that are expected to be relevant to the financial statements is provided below.

Amendments to Ind AS 7, Statement of Cash flows

The amendment to Ind AS 7 introduces an additional disclosure that enables users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Management is of the view that the amendment will have impact only on disclosures in relation to cash flow statement within the financial statements.

Amendments to Ind AS 115, Revenue from Contracts with Customers

Ind AS 115 was issued in February 2015 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come in to force from accounting period commencing on or after 1st April 2018. The Company will adopt the new standard on the required effective date.

Amendments to Ind AS 102, Share Based payments

The amendment is not relevant for the Company as it does not have any cash-settled share based payments or share based payments with a net-settled feature.

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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 EIGHTH ANNUAL GENERAL MEETING 2016-2017

NOTICE

NOTICE is hereby given that the 78th Annual General Meeting of the Members of DCW LIMITED will be held at 10.00 a.m. on Thursday, 28th September 2017 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, 2017 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Vivek Jain, (DIN: 00502027) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration and in this connection, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 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. Chhajed & Doshi, Chartered Accountants (Firm Registration No. 101794W) Mumbai, be and are hereby appointed as Statutory Auditors of the Company (in place of M/s V. Shankar Aiyar & Co. Chartered Accountant (Firm Registration No. 109208W) whose tenure will conclude at the ensuring Annual General Meeting) to hold office from the conclusion of 78th Annual General Meeting of the Company till the Conclusion of 83rd Annual General Meeting of the Company subject to ratification of their re-appointment at each intervening Annual General Meeting at such remuneration as may be agreed upon by the Board of Directors and the Auditors plus applicable Goods & Service Tax (GST) 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. P.K. Jain (DIN:00380458) as Managing Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the 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. P.K. Jain (DIN:00380458), as Managing Director of the Company for a period of 3 years with effect from 1st November, 2017 with such salary, perquisites and commission as set out in the Explanatory Statement annexed to the notice of this Annual General Meeting and on such other terms and conditions as are set out in the draft agreement between Shri. P.K.Jain (DIN:00380458) and the Company submitted to this meeting and initialed by the Chairman for the purpose of identification, which agreement is hereby approved by the shareholders of the Company with liberty to the Board of Directors to alter the terms and conditions of the said agreement in such manner as may be agreed to between the Company and Shri. P.K. Jain (DIN:00380458), 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. P.K. Jain (DIN:00380458), as Managing Director, the Company has no profits, or its profits are inadequate, Shri. P.K. Jain shall be entitled to receive and be paid remuneration, including salary, perquisites and other allowances, not exceeding Rs. 10,00,000/- per month in such financial year, or such other remuneration within the applicable limits prescribed by the Central Government from time to time in this regard."



5. Reappointment of Shri. Bakul Jain (DIN:00380256) as Managing Director of the Company

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

“RESOLVED THAT 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. Bakul Jain (DIN:00380256), as Managing Director of the Company for a period of 3 years with effect from 27th July, 2017 with such salary, perquisites and commission as set out in the Explanatory Statement annexed to the notice of this Annual General Meeting and on such other terms and conditions as set out in the draft agreement between Shri. Bakul Jain (DIN:00380256) and the Company submitted to this meeting and initiated by the Chairman for the purpose of identification, which agreement is hereby approved by the shareholders of the Company with liberty to the Board of Directors to alter the terms and conditions of the said agreement in such manner as may be agreed to between the Company and Shri. Bakul Jain (DIN:00380256) 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. Bakul Jain (DIN:00380256) as Managing Director, the Company has no profits, or its profits are inadequate, Shri. Bakul Jain (DIN:00380256) shall be entitled to receive and be paid remuneration, including salary, perquisites and other allowances, not exceeding Rs. 10,00,000/- per month in such financial year, or such other remuneration within the applicable limits prescribed by the Central Government from time to time in this regard.”

6. To approve remuneration payable to cost auditors R. Nanabhoy & Co. and N. D. Birla & Co. for the Financial year ending March 31, 2018.

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 members 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 30, 2017, to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2018;

“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 the above resolution.”

By Order of the Board of Directors

Jigna Karnick

Dy. Company Secretary

Mumbai, 14th August, 2017

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, 19th September, 2017 to Thursday, 28th September, 2017, 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), 1st floor, Bharat Tin Works Bldg., Opp. Vasant Oasis, Makwan Road, Marol, Andheri (East), Mumbai – 400 059.
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 78th Annual General Meeting of the Company inter alia indicating the e-voting procedure along with the Attendance Slip and Proxy Form is being sent to all the Members whose e-mail address are registered with the Company/Depository Participant for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of the Notice of the 78th 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 124 (5) of the Companies Act, 2013 the amount dividend remaining unclaimed for a period of 7 years shall be transferred to the investor education protection fund. Pursuant to Section 124(6) of the Companies Act 2013, all shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund Members who have not yet encashed their dividend warrants for the Financial Year ended on 31st March, 2010 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 2008-2009 to the said Fund.

Members who have not encashed their dividend warrants for the financial year ended March 31, 2010 onwards may write to the Company's Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd., 1st floor, Bharat Tin Works Bldg., Opp. Vasant Oasis, Makwan Road, Marol, Andheri (East), Mumbai – 400 059 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 78th Annual General Meeting and the Annual Report for the Financial Year 2016-17 will also be available on the Company's website www.dcwlimited.com for download.
13. Profile of Director seeking re-appointment
Shri Vivek Jain is MBA (Babsons College, USA) and MMS (Jamnalal Bajaj Institute of Management Studies, Mumbai) Shri Vivek Jain is having a very good knowledge and experience in the PVC Industry. Shri Vivek Jain is a director of Classic Stud & Agricultural Farm Private Limited, Crescent Finstock Limited, Royal Western India Turf Club Limited, DCW Pigments Limited, Sahu Brothers Private Limited and Jain Sahu Brothers Properties Private Limited.
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, 25/9/2017 at 10 a.m. and ends on Wednesday, 27/9/2017 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, 21/9/2017. 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. 21/9/2017 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 evoting 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 78th AGM [for Members whose email IDs are not registered with the Company/Depository Participant(s) or requesting Physical Copy]

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the 78th 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).

General Instructions

The Board of Director has appointed Dr. S. K. Jain, Practicing Company Secretary (Membership No. 1473) and Proprietor of S. K. Jain as the Scrutinizer to the e-voting process, (including voting through Ballot forms received from Members) and remote e-voting process in a fair and transparent manner.



The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or to a person authorised by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

The Scrutinizer shall submit his report to the Chairman who shall declare the results of the voting. The result declare alongwith the Scrutinizer Report shall be placed on the Company www.dcwlimited.com and on the website of NSDL immediately after the declaration of result by the Chairman or by a person duly authorized by him in writing. The results shall also be forwarded to The BSE Limited and National Stock Exchange of India Limited. where the equity shares of the Company are listed. The Resolution shall be deemed to be passed at the Annual General Meeting of the Company Schedule to be held on _____

Annexure to the Notice

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

Item no. 3

The term of M/s V. Sankar Aiyar & Co Chartered Accountant Firm Registration No. 109208W expires at the conclusion of forthcoming Annual General Meeting of the Company under section 139(2) of the Companies Act 2013 read with (Audit and Auditors) Rules, 2014. The Company has received the written consent from M/s Chhajed & Doshi, Chartered Accountant (Firm Registration No101794W) along with certificate that their appointment if made, shall be in accordance with the conditions as prescribe under section 141 of the Companies Act, 2013

M/s. Chhajed & Doshi is a well known, 54 years old Chartered Accountants firm. This firm was established in 1964 by late Shri S.P. Chhajed who was President of institute of Chartered Accountant of India. He was also a Director of National Stock Exchange of India and was a member of various Committees of SEBI and International Federation of Accountants, USA.

M/s Chhajed & Doshi has presently 13 partners and Sr. Partner of the firm have been in this profession for more than 50 years. Their Head Office is in Andheri Mumbai and have branch offices in Ahmedabad and Delhi. Apart from the Audit they also provide service of Tax Audits, transfer pricing audits, Vat audit, Company Law matters, Due Diligence and Valuations, advise on FEMA etc., Apart from 13 partners, they also have man power of 87 consisting qualified employees and Audit Assistants.

They have vast number of well-known Companies and Institutions as their clients viz., Air India Ltd., Hindustan Aeronautic Ltd., Punjab National Bank, Bank of Baroda, Reserve Bank of India, Employees Provident Fund Organisation, J.P. Company Ltd., Jyoti Ltd., Marico Ltd., MMTC Ltd., Rashtriya Chemicals & Fertilizers Ltd., Nuclear Power Corporation of India Ltd., Shipping Corporation of India Ltd., BSNL, MTNL, Idea Cellular Ltd., National Stock Exchange etc.

The Board of Directors seek approval of the Members of the Company for appointment of M/s Chhajed & Doshi, Chartered Accountant (Firm Registration No101794W) as Statutory Auditor of the Company to hold their office from conclusion of the forthcoming Annual General Meeting till conclusion of 83rd Annual General Meeting of the Company at such remuneration as may be agreed upon by the Board of Directors and M/s M/s Chhajed & Doshi.

The Board of Directors recommends the Resolutions as set out at item 3 of the notice

None of the Directors are Key Managerial Personnel of the Company or their relative are in anyway concerned or interested in the said Resolution.

Item no. 4

Mr. P.K. has been appointed as Managing Director of the Company for a period of 3 years with effect from 1st November, 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 with in one year before the expiry of his present term.



The Board of Directors at their meeting held on 30th May, 2017 re-appointed Mr. P.K. Jain as Managing Director for a period of 3 years commencing from 1st November, 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 P.K. Jain by passing a resolution at their meeting held on 30th May, 2017. 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 P.K. Jain as Managing Director are as follows:

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

(b) Remuneration

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

(ii) Perquisites:

In addition to his salary, Shri. P.K. Jain shall also be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with utilities thereof such as gas, electricity, water, furnishings and repairs; medical reimbursement and leave travel concession for himself and family; club fees, medical insurance etc. in accordance with the Rules of the Company or as may be agreed to between the Board and Shri.P.K. Jain; the amount of such perquisites to be restricted to Rs. 12,00,000/- per annum. The Company shall provide Shri P.K. Jain, a car with a driver and telephone facility at his residence. Provision of car and driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to Shri P.K. Jain.

(iii) Commission:

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

(c) If in any Financial Year during the tenure of Shri P.K. Jain, the Company has no profits or its profits are inadequate, he shall be entitled to receive and be paid remuneration in that year; salary and perquisites not exceeding Rs.1,20,00,000/- per annum or Rs.10,00,000/- per month or such other limit as 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. P.K. Jain is a director of the Company since 1992, prior to which he was the President. He is a Managing Director since 1996 and was in charge of the Soda Ash division of the Company. Mr. P.K. Jain is also Chairman of the Board and oversee the entire operations of the Company. He is B.A. (Hons.), Economics.

His contribution to the Company is very valuable. Having regard to his knowledge and experience in the industry and the responsibilities shouldered by him, remuneration proposed to be paid to him is fair and reasonable. The Board, therefore, recommends his re-appointment and payment of remuneration as mentioned above.

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



Shri.P. K. Jain is interested in the resolution set out in Item No. 4 of the Notice, since it pertains to his re-appointment and remuneration. The relatives of Shri.P. K. 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 Bakul Jain (DIN:00380256) has been appointed as Managing Director of the Company for a period of 3 years with effect from 27th July, 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 with in one year before the expiry of his present term.

The Board of Directors at their meeting held on 30th May, 2017 re-appointed Shri Bakul Jain as Managing Director for a period of 3 years commencing from 27th July, 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 Bakul Jain by passing a resolution at their meeting held on 30th May, 2017. 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 payment of remuneration of Shri. Bakul Jain as Managing Director are as follows:

- (a) **Period** : 3 years with effect from 27th July, 2017.
- (b) **Remuneration**
- (i) **Salary** : Rs. 10,00,000/- per month.
- (ii) **Perquisites:**

In addition to his salary, Shri Bakul Jain shall also be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with utilities thereof such as gas, electricity, water, furnishings and repairs; medical reimbursement and leave travel concession for himself and family; club fees, medical insurance etc. in accordance with the Rules of the Company or as may be agreed to between the Board and Shri. Mudit Jain; the amount of such perquisites to be restricted to Rs. 12,00,000/- per annum. The Company shall provide Shri. Bakul Jain, a car with a driver and telephone facility at his residence. Provision of car and driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to Shri. Bakul Jain.

- (iii) **Commission:**

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

(c) If in any Financial Year during the tenure of Shri. Bakul Jain, the Company has no profits or its profits are inadequate, he shall be entitled to receive and be paid remuneration in that year; salary and perquisites not exceeding Rs. 1,20,00,000/- per annum or Rs.10,00,000/- per month or such other limit as 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.Bakul Jain holds a Master degree in management from IMD, Lausanne, Switzerland and has 32 years of experience in the industry. He is incharge of the new projects of the Company. His contribution to the Company is very valuable. Having regard to his knowledge and experience in the industry and the responsibilities shouldered by him, remuneration proposed to be paid to him is fair and reasonable. The Board, therefore, recommends his re-appointment and payment of remuneration as mentioned above. The draft of the agreement between the Company and Shri Bakul Jain is open for inspection at the registered office of the Company during the office hours on all working days between 11.00 a.m. to 1.00 p.m except Saturday. Shri.Bakul. Jain is interested in the resolution set out in Item No. 5 of the Notice, since it pertains to his re-appointment and remuneration. The relatives of Shri.Bakul. Jain may be deemed to be interested in the resolution set out at Item no. 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:

Financial Parameters	2014-15	2015-16	2016-17
Total Revenue	1,25,631.72	1,40,213.56	1,31,024.29
Total Expense	1,26,048.10	1,37,536.23	1,28,523.00
Profit/Loss After Tax	-592.17	1,713.50	2,002.30
Dividend Rate	NIL	NIL	NIL

(5) Foreign Investments or collaborators, if any.

The foreign holding in the Company as on 31/03/2017 is 9.22% of the equity capital of the Company. The Company has two foreign collaborations, namely, Technical License and Support Agreement with Rockwood Italia SpA , Italy and Technical License Agreement with Arkema France, France.

II. INFORMATION ABOUT THE APPOINTEES:

(1) Background details -

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

Shri Bakul Jain is B.Com from Bombay University and M.B.A. from (MD, Lausanne, Switzerland, He joined



ont eh Board as Executive Director in 1996 prior to which he was President of the Company. Since 2006 he is a Managing Director of the Company.

(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. P.K. Jain and Mr. Bakul Jain as is now proposed to be paid on their re-appointment as detailed herein.

(3) Recognition / awards

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

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

(4) Job Profile and his suitability.

Shri P.K. Jain - Shri P.K. Jain joined the service of the Company as President in 1969. He was appointed as Whole time Director in the year 1992 and became Managing Director in 1996. Under his able leadership, the capacity of Soda Ash Plant at Dhrangadhra has been increased from 65000 TPA to 96000 TPA in the year 1992-93. He is also Chairman of the Board and oversee the overall operations of the Company. Considering his vast knowledge and experience his continuation in the service is in the best interest of the Company.

Shri Bakul Jain - Shri Bakul Jain was appointed as an Executive Director in 1996 prior to which he was President of the Company. He became Managing Director in 2006. He is in charge of new projects and diversifications. Under his able leadership the Company has also set-up a 2 x 25 MW. Thermal Co-generation plant at its Works at Sahupuram, Tamilnadu, making the Company not only self-sufficient in its power requirements but also having surplus power to sell to Electricity Boards/third parties. He also increased the installed capacity of the Company's Synthetic Rutile Plant from 25000 TPA to 48000 TPA. Considering the qualifications, experience, management capabilities and the contributions made, his continued service will enable the Company to progress further.

(5) Remuneration Proposed -

Name of the Director	Proposed Salary per month (Rs.)	Perquisites Per annum
Shri P.K. Jain	10,00,000/-	12,00,000*
Shri Bakul 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 and driver 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 both 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 to which are set out below:

Sr. No	Name fo 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)

In accordance with the provision of the Section 148 of the Companies Act, 2013, the remuneration payable to the cost Auditors has to be determined by the shareholders of the 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, 2018.

None of the Directors/Key Managerial Personnel of the Company and 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

Mumbai, 14th August, 2017

By Order of the Board of Directors

Registered Office :
Dhrangadhra - 363 315
Gujarat.

Jigna Karnick
Dy. Company Secretary

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