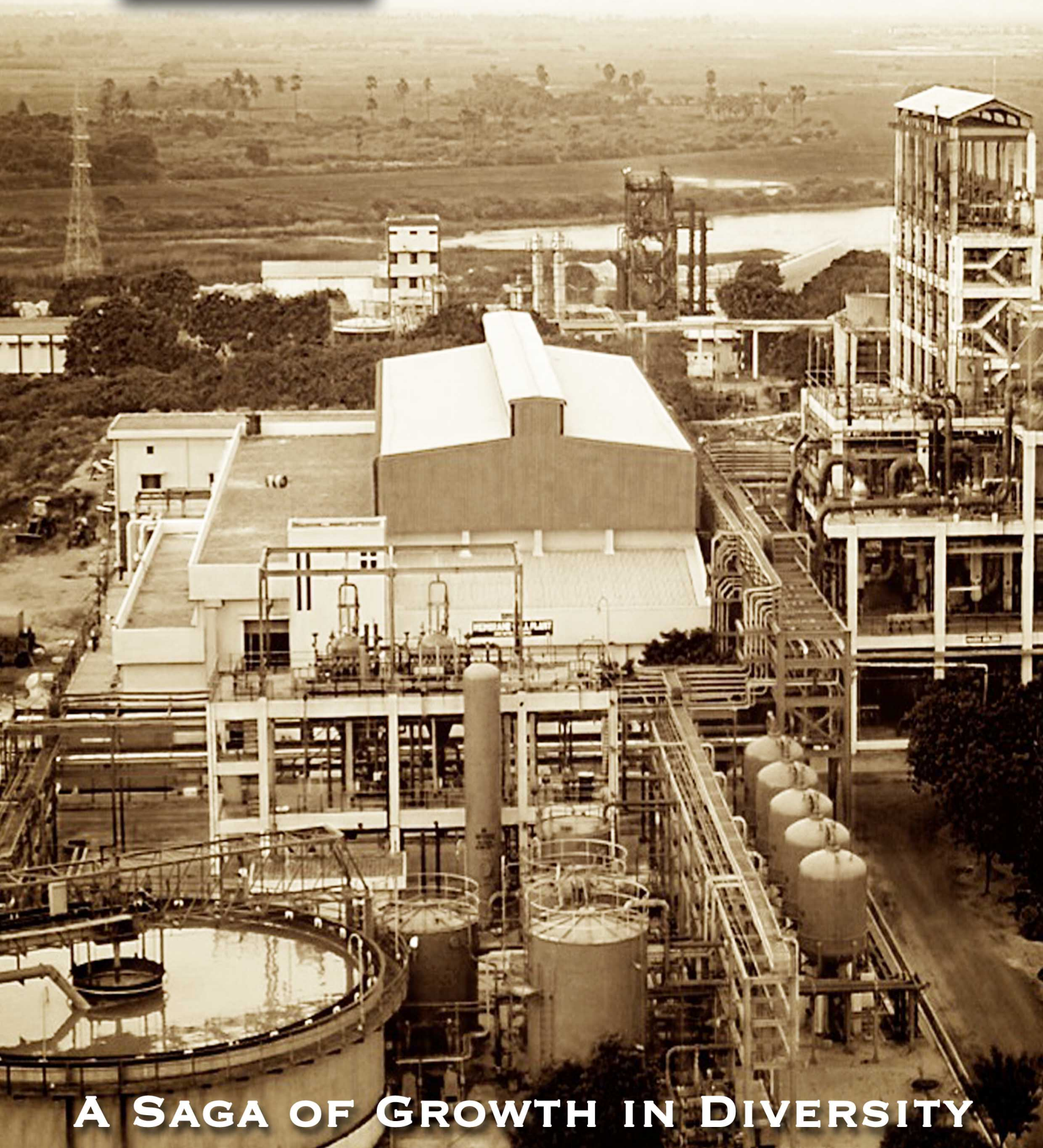




ANNUAL REPORT 2010 - 2011



A SAGA OF GROWTH IN DIVERSITY



Corporate Directory

BOARD OF DIRECTORS

Dr. Shashi Chand Jain
Chairman and Managing Director

Shri. Pramod Kumar Jain
Managing Director

Shri. Bakul Jain
Managing Director

Smt. Vandana Jain
Executive Director

Shri. F. H. Tapia

Shri. Sushil Kumar Jalan

Dr. V. H. Joshi

Shri Sodhsal Singh Dev of Dhrangadhra

Shri R. V. Ruia

Shri Berjis Desai *
Additional Director

BANKERS

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

AUDITORS

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

REGISTERED OFFICE

Dhrangadhra – 363 315, Gujarat.

HEAD OFFICE

“Nirmal” 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.

72nd
Annual Report
2010 - 2011

Note: The Balance Sheet, Profit and Loss Account and Key Financial Data are also presented in US \$ on Page Numbers 17, 18 & 19 respectively.

* Appointed w.e.f. 8th August, 2011



Notice

SEVENTYSECOND ANNUAL GENERAL MEETING 2010-2011

NOTICE is hereby given that the 72nd Annual General Meeting of the Members of **DCW LIMITED** will be held at 10.00 a.m. on Thursday, 24th November, 2011 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 Accounts for the year ended March 31, 2011 and the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on Equity shares of the Company.
3.
 - a. To appoint a Director in place of Shri Bakul Jain, who retires by rotation and being eligible, offers himself for reappointment.
 - b. To appoint a Director in place of Shri S. K. Jalan, who retires by rotation and being eligible, offers himself for reappointment.
 - c. To appoint a Director in place of Dr. V. H. Joshi, who retires by rotation and being eligible, offers himself for reappointment.
4. **To appoint Auditors and to fix their remuneration and in this connection, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :**

"RESOLVED THAT M/s. V. San- kar Aiyar & Co., Chartered Ac- countants, Mumbai, the retiring Auditors of the Company, be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Meeting upto the conclusion of the next Annual General Meet-

ing, on a remuneration of Rs. 8,00,000/- (Rupees Eight Lakhs only) plus reimbursement of travelling 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 :

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

"RESOLVED THAT Mr. Berjis Desai who was appointed as an Additional Director of the Com- pany with effect from 8th August, 2011 and who, in terms of Sec- tion 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the Com- pany has received a Notice from a member under Section 257 of the Companies Act, 1956, signi- fying his intention to propose Mr. Berjis Desai as a candidate for the office of Director, be and is hereby appointed, as a Director of the Company liable to retire by rotation."
6. **To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Reso- lution :**

"RESOLVED THAT in accordance with the provisions of Section 198, 269 and 309, read with Schedule XIII and other appli- cable provisions, if any, of the Companies Act, 1956, the Com- pany hereby approves the reap- pointment of and the remunera- tion payable to Dr. Shashi Chand Jain as Managing Director of the Company for a period of 3 years

with effect from June 15, 2011 on the terms and conditions set out in the draft agreement submitted to this meeting and initiated by the Chairman for the purpose of identification; which agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said agreement in such man- ner as may be agreed to between the Board of Directors and Dr. Shashi Chand Jain, provided they are within and in accordance with the limits specified in the Schedule XIII to the Companies Act, 1956 or any amendment thereto.

RESOLVED FURTHER THAT if in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, Dr. Shashi Chand Jain shall be entitled to receive and be paid as minimum remuneration in that year, Salary, Perquisites and other allowances, not exceeding Rs. 48 lacs per an- num or Rs. 4,00,000/- per month, but shall not be entitled to any commission.

AND RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take such steps as may be necessary to give effect to this resolution".

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

"RESOLVED THAT in accor- dance with the provisions of Section 198, 269 and 309, read with Schedule XIII and other applicable provisions, if any, of



the Companies Act, 1956, the Company hereby approves the reappointment of and the remuneration payable to Shri Bakul Jain as Managing Director of the Company for a period of 3 years with effect from July 27, 2011 on the terms and conditions set out in the draft agreement submitted to this meeting and initialed by the Chairman for the purpose of identification; which agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said agreement in such manner as may be agreed to between the Board of Directors and Shri Bakul Jain, provided they are within and in accordance with the limits specified in the Schedule XIII to the Companies Act, 1956 or any amendment thereto.

RESOLVED FURTHER THAT if in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, Shri Bakul Jain shall be entitled to receive and be paid as minimum remuneration in that year, Salary, Perquisites and other allowances, not exceeding Rs. 48 lacs per annum or Rs. 4,00,000/- per month, but shall not be entitled to any commission.

AND RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take such steps as may be necessary to give effect to this resolution".

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

"RESOLVED THAT in accordance with the provisions of

Section 198, 269 and 309, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the reappointment of and the remuneration payable to Smt. Vandana Jain as Whole Time Director designated as Executive Director (hereinafter referred to as 'Executive Director') of the Company for a period of 3 years with effect from August 1, 2011 on the terms and conditions set out in the draft agreement submitted to this meeting and initialed by the Chairman for the purpose of identification; which agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said agreement in such manner as may be agreed to between the Board of Directors and Smt. Vandana Jain, provided they are within and in accordance with the limits specified in the Schedule XIII to the Companies Act, 1956 or any amendment thereto.

RESOLVED FURTHER THAT if in any financial year during the tenure of the Executive Director, the Company has no profits or its profits are inadequate, Smt. Vandana Jain shall be entitled to receive and be paid as minimum remuneration in that year, Salary, Perquisites and other allowances, not exceeding Rs. 48 lacs per annum or Rs. 4,00,000/- per month, but shall not be entitled to any commission.

AND RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take such steps as may be necessary to give effect to this resolution".

9. To consider, and if thought

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269 and 309, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the reappointment of and the remuneration payable to Shri Pramod Kumar Jain as Managing Director of the Company for a period of 3 years with effect from November 1, 2011 on the terms and conditions set out in the draft agreement submitted to this meeting and initialed by the Chairman for the purpose of identification; which agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said agreement in such manner as may be agreed to between the Board of Directors and Shri Pramod Kumar Jain, provided they are within and in accordance with the limits specified in the Schedule XIII to the Companies Act, 1956 or any amendment thereto.

RESOLVED FURTHER THAT if in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, Shri Pramod Kumar Jain shall be entitled to receive and be paid as minimum remuneration in that year, Salary, Perquisites and other allowances, not exceeding Rs. 48 lacs per annum or Rs. 4,00,000/- per month, but shall not be entitled to any commission.

AND RESOLVED FURTHER THAT the Board of Directors of



the Company be and are hereby authorised to take such steps as may be necessary to give effect to this resolution”.

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

“RESOLVED THAT the consent of the Company be and is hereby accorded under the provisions of Section 293(1)(d) of the Companies Act, 1956, to the Board of Directors of the Company to borrow from time to time such sum or sums of money as it may deem requisite for the purpose of business of the Company notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its Free Reserves, that is to say, reserves not set apart for any specific purpose provided that the total amount upto which monies may be borrowed by the Board of Directors shall not exceed the sum of Rs. 20,00,00,00,000/- (Rupees Two thousand crores) at any one time.”

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

“RESOLVED THAT pursuant to Section 293(1)(a) of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and / or create charge on all or any of the movable and immovable

properties of the Company, both present and future, for securing loans/facilities obtained or that may be obtained from time to time from financial institutions or banks or person(s) together with interest, costs, charges, expenses and any other monies payable by the Company, within the overall borrowing powers delegated to the Board of Directors from time to time pursuant to Section 293(1)(d) of the Companies Act, 1956.”

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

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, the provisions of Chapter VII of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009, (hereinafter referred to as the “SEBI Regulations”), as also of any other applicable laws, rules, regulations and guidelines (including any amendment thereto or re-enactment thereof) and the enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the stock exchanges where the equity shares of the Company are listed, and subject to all such approvals, consents, permissions and/or sanctions as may be required from appropriate authorities, including the Securities and Exchange Board of India (SEBI), Government of India, Reserve Bank of India, financial institutions, banks and stock exchanges (hereinafter singly or collectively referred to as “the Appropriate Authorities)

and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting any such consents, permissions, approvals and/or sanctions (hereinafter singly or collectively referred to as “the requisite approvals”) which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s), which the Board may have constituted or hereafter constitute in this behalf to exercise the powers conferred on the Board by this resolution), the Board be and is hereby authorized in its absolute discretion, to create, offer, issue and allot in one or more tranches, upto 1,50,00,000/- warrants (hereinafter referred to as the “Warrants”), convertible into equity shares of Rs. 2 each of the company (“Equity Shares”) on a preferential basis, without offering the same to any other person, at a price of Rs.11/- (including premium of Rs.9/- per equity share) such price being not less than the minimum price determined as per the provisions of Chapter VII of the “SEBI Regulations” to the following shareholders in the Promoter Group.



1.	Shri Vivek Jain & Smt. Meeta Jain	upto 12,63,200 equity shares of Rs. 2 each
2.	Shri Saatvik Jain & Shri Vivek Jain	upto 12,63,200 equity shares of Rs. 2 each
3.	Smt. Usha P. Jain	upto 17,36,800 equity shares of Rs. 2 each
4.	Shri Bakul Jain & Smt. Paulomi Jain & Smt. Durgavati Jain	upto 17,36,800 equity shares of Rs. 2 each
5.	Shri Mudit Jain	upto 10,00,000 equity shares of Rs. 2 each
6.	Smt. Vandana Jain	upto 10,00,000 equity shares of Rs. 2 each
7.	Sahu Brothers Pvt.Ltd.	upto 70,00,000 equity shares of Rs. 2 each

RESOLVED FURTHER THAT

- i. the Relevant Date for the purpose of determination of the price of the Equity Shares issued and allotted upon conversion/exercise of right attached to the Warrants, in accordance with the provisions of Chapter VII of the SEBI Regulations shall be the date thirty (30) days prior to the date of this Annual General Meeting i.e. 25th October, 2011
- ii. The Warrants to be created, offered and allotted and the Equity Shares arising upon conversion of the Warrants shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- iii. The Board be and is hereby authorized to issue and allot such number of Equity Shares as may required to be allotted upon conversion / exercise of right attached to the Warrants issued in terms of this resolution, all such Shares ranking pari passu inter-se and with the then existing Equity Shares of the Company in all respects, including entitlement of dividend;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds,

matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the Equity Shares with the stock exchanges, without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors or any Director or Directors or any Officers of the Company to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the present Article 157 of the Articles of Association of the Company be and is hereby substituted by the following new Article:

157. The Common Seal shall be affixed to every deed or other Instrument to which

it is required to be so affixed, in the presence of any two of the Authorised Persons being Company's Directors, Company Secretary, Dy. Company Secretary, Presidents, Vice Presidents and General Managers of the Company as may be authorised by the Board and the said two Authorised Signatories shall sign the deed or instrument to which the seal has been affixed as witnesses for affixing the Common Seal. "

By Order of the Board

Chital Shah
Dy. Company Secretary

Mumbai, 20th October, 2011

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/HERSELF 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.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed



from Tuesday, November 15, 2011 to Thursday, November 24, 2011, both days inclusive.

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

5. **In pursuance of the Green initiative taken by Ministry of Corporate Affairs regarding sending of Annual Report to the members of the Company as required under section 219 of the Companies Act, 1956 through electronic mode, members of the Company are requested to register their email addresses and changes therein from time to time with the Company or with the Depository.** However, if any member insists on physical copy of the Annual report, the same will be sent to them physically.

6. The unclaimed dividends upto the Company's financial year 1994-95 have been transferred to the General Revenue Account of the Central Government. Shareholders who have so far not claimed their dividend warrants for the said years are requested to claim the amount by submitting an application in prescribed Form No. II to the Registrar of Companies, Gujarat Housing Board Building, Opp. Rupal Park, Near Ankur Char Raste, Navrangpura, Ahmedabad 360 013.

Pursuant to Sections 205A and 205C of the Companies Act, 1956, any money transferred to the unpaid dividend account which remains unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred by the Company to a fund called

'Investor Education and Protection Fund' (the Fund) set up by the Central Government.

Accordingly, the Company has transferred all the unclaimed dividends to the said Fund and no claim is lying against the fund or the Company in respect of the any Dividends.

The dividend for the year ended 31st March, 2011 as recommended by the Board, if sanctioned at the meeting, will be paid on or before November 29, 2011 to those members whose names appear in the Company's Register of Members as on November 14, 2011. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.

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

7. Payment of Dividend through ECS:

- (a) Members holding shares in physical form are advised to submit particulars of their Bank Account viz. Name and address of the branch of the Bank, 9 digit MICR Code of the Branch, type of account and account number latest by November 14, 2011 to the Company's Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd., E/2&3, Ansa Industrial Estate, Sakivihar Road,

Saki Naka, Andheri (East), Mumbai 400 072.

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

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

9. 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.

10. **Re-appointment of Directors:**

At the ensuing Annual General Meeting, Shri Bakul Jain, Shri Sushil Kumar Jalan and Dr. V. H. Joshi, Directors, retire by rotation and being eligible, offer themselves for reappointment.

Pursuant to Clause 49 of the Listing Agreement relating to the Code of Corporate Governance, the particulars of Directors retiring by rotation / appointment of new Director in the ensuing Annual General Meeting are given below: -

Profile of the Directors retiring by rotation / proposed new director

SHRI BAKUL JAIN :-

Shri Bakul Jain, holds a Masters degree in Management from IMD, Lausanne, Switzerland. Shri Bakul Jain is having good knowledge and experience in the manufacturing industry. He was appointed on the Board in the year 1996, prior to which he was president of the Company. Shri Bakul Jain is a Director of Sahu Brothers Pvt. Ltd., B.



J. Holdings Pvt. Ltd., Canvas Shoe Co. (Goa) Pvt. Ltd. J. K. Tyres and Industries Ltd., D. P. B. Holdings Pvt. Ltd., Lifestyle Tradelinks (India) Pvt. Ltd., Jain Sahu Brothers Investments Pvt. Ltd, DCW Pigments Ltd. and Cashco Holdings Pvt. Ltd. He is a member of the Managing Committee of Bombay Hospital.

SHRI SUSHIL KUMAR JALAN: -

Shri S. K. Jalan has vast knowledge and experience in the manufacturing Industry. Shri S. K. Jalan is a Director of Acrastyle Switchgear Ltd. England, Acrastyle Ltd. England, Acrastyle Power (India) Ltd., Boistur Commercial Ltd., Bombay Gas Co. Ltd., Hamilton & Co. Ltd., The Indian Merchants Chamber, RPIL Signalling Systems Ltd. and The United Provinces Sugar Co, Ltd. Shri S. K. Jalan is not holding any shares in the Company and he is not related to any other of the Directors of the Company.

Dr. V. H. JOSHI

Dr. V. H. Joshi is the Director of the Company since 1990. He is Ph.D. (Economics) from the University of Baroda and has also done Post Graduate Diploma in Economic Planning from International Institute of Social Studies, the Hague (Netherlands). He has got many scholarships, fellowships and prizes and has participated in international conferences/seminars and has also published many books. He is a member of many Professional Organisations and has a vast knowledge about the industry. He is not holding the office of Director in any other Company. Dr. V. H. Joshi is not holding any shares in the Company and he is not related to any other of the Directors of the Company.

Mr. BERJIS DESAI

Mr. Berjis Desai, is a Solicitor and Senior Partner of well known Law Firm, M/s. J. Sagar Associates, Mumbai.

He is Director of Adani Power Limited, Sterlite Industries (India) Limited, The Great Eastern Shipping Company Limited, NOCIL Limited, Praj Industries Limited, Edelweiss Capital Limited, Deepak Nitrate Limited, Himatsingka Seide Limited, Greatship (India) Limited, Emcure Pharmaceuticals Limited, Centrum Fiscal Private Limited, Capricorn Studfarm Pvt. Ltd., Capricorn Agrifarms & Developers Pvt. Ltd., Sabre Capital Investment Advisors Pvt. Ltd., Equine Bloodstock Private Limited, Spring Healthcare Advisors Pvt. Ltd., Eden Realtors Pvt. Ltd., JSA Law Ltd., (Dubai), JSA Lex Holdings Limited (Mauritius), Divatex Home Fashions Inc., (New York, USA). Mr. Berjis Desai is not holding any shares in the Company and he is not related to any other of the Directors of the Company.



Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 5

Mr. Berjis Desai was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 8th August, 2011. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Berjis Desai holds office upto the date of this Annual General Meeting. Mr. Berjis Desai is a solicitor and Senior partner of the well known Law Firm, M/s. J. Sagar Associates, Mumbai and it will be in the interest of the Company to appoint him as a Director of the Company.

The Company has received a notice from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Mr. Berjis Desai as Director at the forthcoming Annual General Meeting.

Mr. Berjis Desai is concerned or interested in the resolution since it pertains to his appointment. None of the other Directors are in anyway concerned or interested in the resolution.

Item No. 6

Dr. Shashi Chand Jain was appointed as Managing Director of the Company for a period of five years with effect from June 15, 2006. At the Board Meeting held on May 16, 2011, the Board reappointed Dr. Shashi Chand Jain as Managing Director for a further period of three years with effect from June 15, 2011 subject to the approval of shareholders of the Company. The Remuneration Committee of the Board at their meeting held on May 16, 2011 has approved payment of remuneration to Dr. S. C. Jain by passing a resolution.

The terms and conditions of his reappointment as Managing Director are as follows:

1. Period

3 years with effect from June 15, 2011.

2. Remuneration

a. **Salary** : Rs. 3,00,000 per month

b. Perquisites :

In addition to Salary, the Managing Director shall also be

entitled to perquisites like Accommodation (Furnished or otherwise) or House Rent Allowance in lieu thereof; House Maintenance Allowance together with utilities thereof such as gas, electricity, water, furnishings and repairs; Medical Reimbursement and Leave Travel Concession for himself and family; Club Fees, Medical Insurance etc. in accordance with the Rules of the Company or as may be agreed to between the Board and the Managing Director; the amount of such perquisites to be restricted to Rs. 12,00,000 per annum.

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

Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable at a rate not exceeding half-a-month's salary for each completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of ceiling on perquisites.

c. Commission :

Commission 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 Sections 198 and 309 of the Act and shall be twenty five percent

of the difference between ten percent of the net profits in that Financial Year and the aggregate of the salary and perquisites and benefits paid to the Managing Directors and the Whole-time Directors in that year.

3. If in any Financial Year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, he shall be entitled to receive and be paid as Minimum Remuneration in that year; Salary and Perquisites not exceeding Rs. 48.00 lacs per annum; or Rs. 4,00,000 per month, but shall not be entitled to any Commission.

For the purpose of calculating the above ceiling, 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.

4. The terms and conditions of appointment of Dr. S. C. Jain may be altered and varied from time to time during his tenure of appointment in such manner as may be agreed to between the Board of Directors and Dr. Shashi Chand Jain provided such terms are within and in accordance with the limits specified in Schedule XIII to the Companies Act, 1956 or any amendment thereto.
5. The Managing Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall also not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior permission of the Central Government.
6. The Managing Director shall not be entitled to any Sitting Fee for attending the Meetings of the Board or any Committee thereof.

Dr. S C Jain holds a Doctorate in Economics and has 45 years experience in the Industry. His contribution to the



Company is very valuable. Having regard to his knowledge and experience in the Industry and the responsibilities shouldered by him, remuneration proposed to be paid to him are 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 Dr. S C Jain is open for inspection at the Registered Office of the Company during office hours on all working days except Saturday between 11.00 a.m. and 1.00 p.m.

The above may also be treated as an abstract under Section 302 of the Companies Act, 1956.

Dr. S C Jain is concerned or interested in the Resolution since it relates to his re-appointment and payment of remuneration.

Shri Pramod Kumar Jain, Shri Bakul Jain and Smt. Vandana Jain, Directors of the Company and related to Dr. S C Jain are deemed to be concerned or interested in the said Resolution.

None of the other Directors is in any way concerned or interested in the Resolution.

Item No. 7

Shri Bakul Jain was appointed as Managing Director of the Company for a period of five years with effect from July 27, 2006. At the Board Meeting held on May 16, 2011, the Board reappointed Shri Bakul Jain as Managing Director for a further period of three years with effect from July 27, 2011 subject to the approval of shareholders of the Company. The Remuneration Committee of the Board at their meeting held on May 16, 2011 has approved payment of remuneration to Shri Bakul Jain by passing a resolution.

The terms and conditions of his re-appointment as Managing Director are as follows:

1. **Period**
3 years with effect from July 27, 2011
2. **Remuneration**
 - a. **Salary** : Rs. 3,00,000 per month

b. Perquisites :

In addition to Salary, the Managing Director shall also be entitled to perquisites like Accommodation (Furnished or otherwise) or House Rent Allowance in lieu thereof; House Maintenance Allowance together with utilities thereof such as gas, electricity, water, furnishings and repairs; Medical Reimbursement and Leave Travel Concession for himself and family; Club Fees, Medical Insurance etc. in accordance with the Rules of the Company or as may be agreed to between the Board and the Managing Director; the amount of such perquisites to be restricted to Rs. 12,00,000 per annum.

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

Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable at a rate not exceeding half-a-month's salary for each completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of ceiling on perquisites.

c. Commission :

Commission 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 Sections 198 and 309 of the Act and shall be twenty five percent of the difference between ten percent of the net profits in that Financial Year and the aggregate of the salary and perquisites and benefits paid to the Managing Directors and the Whole-time Directors in that year.

3. If in any Financial Year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, he shall be entitled to receive and be paid as Minimum Remuneration in that year; Salary and Perquisites not exceeding Rs. 48.00 lacs per annum; or Rs. 4,00,000 per month, but shall not be entitled to any Commission.

For the purpose of calculating the above ceiling, 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.

4. The terms and conditions of appointment of Shri Bakul Jain may be altered and varied from time to time during his tenure of appointment in such manner as may be agreed to between the Board of Directors and Shri Bakul Jain provided such terms are within and in accordance with the limits specified in Schedule XIII to the Companies Act, 1956 or any amendment thereto.
5. The Managing Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall also not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior permission of the Central Government.
6. The Managing Director shall not be entitled to any Sitting Fee for attending the Meetings of the Board or any Committee thereof.



Shri Bakul Jain, holds a Masters degree in Management from IMD, Lausanne, Switzerland and has 27 years experience in the Industry. His contribution to the Company is very valuable. Having regard to his knowledge and experience in the Industry and the responsibilities shouldered by him, remuneration proposed to be paid to him are 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 office hours on all working days except Saturday between 11.00 a.m. and 1.00 p.m.

The above may also be treated as an abstract under Section 302 of the Companies Act, 1956.

Shri Bakul Jain is concerned or interested in the Resolution since it relates to his re-appointment and payment of remuneration.

Dr. S. C. Jain, Shri Pramod Kumar Jain and Smt. Vandana Jain, Directors of the Company and related to Shri Bakul Jain are deemed to be concerned or interested in the said Resolution.

None of the other Directors is in any way concerned or interested in the Resolution.

Item No. 8

Smt. Vandana Jain was appointed as Whole Time Director designated as Executive Director (hereinafter referred to as 'Executive Director') of the Company for a period of five years with effect from August 1, 2006. At the Board Meeting held on May 16, 2011, the Board reappointed Smt. Vandana Jain as Executive Director for a further period of three years with effect from August 1, 2011 subject to the approval of shareholders of the Company. The Remuneration Committee of the Board at their meeting held on May 16, 2011 has approved payment of remuneration to Smt. Vandana Jain by passing a resolution.

The terms and conditions of her re-appointment as Executive Director are as follows:

1. **Period**
3 years with effect from August 1, 2011

2. **Remuneration**

a. **Salary** : Rs. 3,00,000 per month

b. **Perquisites** :

In addition to Salary, the Executive Director shall also be entitled to perquisites like Accommodation (Furnished or otherwise) or House Rent Allowance in lieu thereof; House Maintenance Allowance together with utilities thereof such as gas, electricity, water, furnishings and repairs; Medical Reimbursement and Leave Travel Concession for herself and family; Club Fees, Medical Insurance etc. in accordance with the Rules of the Company or as may be agreed to between the Board and the Executive Director; the amount of such perquisites to be restricted to Rs. 12,00,000 per annum.

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

Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable at a rate not exceeding half-a-month's salary for each completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of ceiling on perquisites.

c. **Commission** :

Commission shall be paid in addition to the above Salary and Per-

quisites 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 Sections 198 and 309 of the Act and shall be twenty five percent of the difference between ten percent of the net profits in that Financial Year and the aggregate of the salary and perquisites and benefits paid to the Managing Directors and the Whole-time Directors in that year.

3. If in any Financial Year during the tenure of the Executive Director, the Company has no profits or its profits are inadequate, she shall be entitled to receive and be paid as Minimum Remuneration in that year; Salary and Perquisites not exceeding Rs. 48.00 lacs per annum or Rs. 4,00,000 per month, but shall not be entitled to any Commission.

For the purpose of calculating the above ceiling, 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.

4. The terms and conditions of appointment of Smt. Vandana Jain may be altered and varied from time to time during her tenure of appointment in such manner as may be agreed to between the Board of Directors and Smt. Vandana Jain provided such terms are within and in accordance with the limits specified in Schedule XIII to the Companies Act, 1956 or any amendment thereto.

5. The Executive Director shall not be entitled to supplement her earnings under the Agreement with any buying or selling commission. She shall also not become interested or otherwise concerned directly or through her husband and/or minor children in any selling agency of the Company, without the prior permission of the Central Government.



6. The Executive Director shall not be entitled to any Sitting Fee for attending the Meetings of the Board or any Committee thereof.

Smt. Vandana Jain is a Commerce Graduate and has 5 years experience in the Industry. Her contribution to the Company is very valuable. Having regard to her knowledge and experience in the Industry and the responsibilities shouldered by her, remuneration proposed to be paid to her are fair and reasonable. The Board, therefore recommends her re-appointment and payment of remuneration as mentioned above.

The Draft of the Agreement between the Company and Smt. Vandana Jain is open for inspection at the Registered Office of the Company during office hours on all working days except Saturday between 11.00 a.m. and 1.00 p.m.

The above may also be treated as an abstract under Section 302 of the Companies Act, 1956.

Smt. Vandana Jain is concerned or interested in the Resolution since it relates to her re-appointment and payment of remuneration.

Dr. S. C. Jain, Shri Pramod Kumar Jain and Shri Bakul Jain, Directors of the Company and related to Smt. Vandana Jain are deemed to be concerned or interested in the said Resolution.

None of the other Directors is in any way concerned or interested in the Resolution.

Item No. 9

Shri Pramod Kumar Jain was appointed as Managing Director of the Company for a period of five years with effect from November 1, 2006. At the Board Meeting held on August 8, 2011, the Board reappointed Shri Pramod Kumar Jain as Managing Director for a further period of three years with effect from November 1, 2011 subject to the approval of shareholders of the Company. The Remuneration Committee of the Board at their meeting held on August 8, 2011 has approved payment of remuneration to Shri Pramod Kumar Jain by passing a resolution.

The terms and conditions of his re-appointment as Managing Director are as follows:

1. **Period**
3 years with effect from November 1, 2011

2. **Remuneration**

- a. **Salary**
Rs. 3,00,000 per month

b. **Perquisites :**

In addition to Salary, the Managing Director shall also be entitled to perquisites like Accommodation (Furnished or otherwise) or House Rent Allowance in lieu thereof; House Maintenance Allowance together with utilities thereof such as gas, electricity, water, furnishings and repairs; Medical Reimbursement and Leave Travel Concession for himself and family; Club Fees, Medical Insurance etc. in accordance with the Rules of the Company or as may be agreed to between the Board and the Managing Director; the amount of such perquisites to be restricted to Rs. 12,00,000 per annum.

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

Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable at a rate not exceeding half-a-month's salary for each completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of ceiling on perquisites.

c. **Commission :**

Commission 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 Sections 198 and 309 of the Act and shall be twenty five percent of the difference between ten percent of the net profits in that Financial Year and the aggregate of the salary and perquisites and benefits paid to the Managing Directors and the Whole-time Directors in that year.

3. If in any Financial Year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, he shall be entitled to receive and be paid as minimum Remuneration in that year; Salary and Perquisites not exceeding Rs. 48.00 lacs per annum; or Rs. 4,00,000 per month, but shall not be entitled to any Commission.

For the purpose of calculating the above ceiling, 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.

4. The terms and conditions of appointment of Shri Pramod Kumar Jain may be altered and varied from time to time during his tenure of appointment in such manner as may be agreed to between the Board of Directors and Shri Pramod Kumar Jain provided such terms are within and in accordance with the limits specified in Schedule XIII to the Companies Act, 1956 or any amendment thereto.
5. The Managing Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall also not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior permission of the Central Government.



6. The Managing Director shall not be entitled to any Sitting Fee for attending the Meetings of the Board or any Committee thereof.

Shri Pramod Kumar Jain is a Director of the Company since 1992 prior to which he was President. He is a Managing Director since 1996 and is in charge of the Soda Ash Division of the Company. He is B.A. (Hon.), Economics. The Board, therefore recommends his re-appointment and payment of remuneration as mentioned above.

The Draft of the Agreement between the Company and Shri Pramod Kumar Jain is open for inspection at the Registered Office of the Company during office hours on all working days except Saturday between 11.00 a.m. and 1.00 p.m.

The above may also be treated as an abstract under Section 302 of the Companies Act, 1956.

Shri Pramod Kumar Jain is concerned or interested in the Resolution since it relates to his re-appointment and payment of remuneration.

Dr. S. C. Jain, Shri Bakul Jain and Smt. Vandana Jain, Directors of the Company and related to Shri Pramod Kumar Jain are deemed to be concerned or interested in the said Resolution.

None of the other Directors is in any way concerned or interested in the Resolution.

Item No. 10 & 11

The Members of the Company in their meeting held on 4th May, 2006 accorded their approval to the Board of Directors of the Company to borrow money on behalf of the Company under Section 293(1)(d) of the Companies Act, 1956 up to Rs. 1000 Crores and to create charge or mortgage on the whole or part of the Company's assets and properties of the Company under Section 293(1)(a) of the Companies Act, 1956 to secure the money borrowed by the Company.

The Company is in requirement of funds for financing its various ongoing and proposed projects and it is expected that the borrowing may hence exceed the present limit of Rs. 1000 crores approved by the shareholders. Therefore, it is proposed to authorise the Board of

Directors of the Company to borrow money on behalf of the Company under Section 293(1)(d) of the Companies Act, 1956 up to Rs. 2000 Crores and also to create charge or mortgage on the whole or part of the Company's assets and properties of the Company under Section 293(1)(a) of the Companies Act, 1956 and your approval is sought for the same.

None of the Directors of the Company is concerned or interested in this resolution.

Item No. 12

The Board in its meeting held on 20th October, 2011 considered and approved, subject to the approval of the Members, to issue warrants on preferential basis to the Promoter Group convertible into Equity Shares within 18 months from the date of issue at the option of the warrant holders into Equity Shares of Rs.2/- each, in accordance with the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009, ("ICDR") as amended.

The terms of issue of Warrants as approved by the Board of Directors are as follows:

- a) Number of warrants : Not exceeding 1,50,00,000 warrants.
- b) Terms of conversion:
 - i) The Warrants will be convertible into Equity Shares at the option of the warrant holders in one or more tranches within 18 months from the date of their allotment.
 - ii) Each Warrant will be convertible into 1 (one) Equity Share of par value of Rs.2 each.
- c) Payment Terms:
 - i) 25% of the issue price of the Warrants will be paid on the date of allotment of the Warrants.
 - ii) The balance 75% of the issue price of the Warrants is payable at the

time of allotment of the Equity Shares pursuant to the exercise of the conversion right by the warrant holders, as and when they deem fit. Non payment of balance sum i.e. 75% of the issue price by the warrant holder would entail in forfeiture of the amount paid.

- d) Issue Price – The price at which each Warrant will be issued will be Rs. 11/-, such price being not less than the minimum price determined as per the provisions of Chapter VII of the ICDR.
- e) Other terms:-
 - i) The warrants and the shares converted shall be subject to lock-in in accordance with the provisions of SEBI Regulations.
 - ii) Subject to the lock-in, the Warrants shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations and other related matters as in the case of Equity Shares of the Company.
 - iii) The Warrants shall not confer upon the holders thereof any right to receive any notice of the meeting of the Shareholders of the Company or Annual Report of the Company and/or to attend/vote at any of the General Meetings of the Shareholders of the Company held, if any.
 - iv) Save and except the right of subscription to the Company's Equity Shares as per the terms of the issue of Warrants, the Warrant holder shall have no other rights or



privileges such as entitlement to voting rights, dividend, bonus issue or rights issue or similar benefits declared by the Company.

- v) Equity Shares to be allotted upon conversion / exercise of right attached to the Warrants issued in terms of this resolution, shall rank pari passu inter-se and with the then existing Equity Shares of the Company in all respects, including dividend.
- vi) A separate register of Warrant holders would

be maintained by the Company.

- vii) In the event of any subdivision or consolidation of the face value of the Company's Equity Shares, the share entitlement on each Warrant shall be proportionately increased/decreased such that the aggregate nominal value of the entitlement remains the same as the nominal value of the Equity Shares immediately prior to such subdivision or consolidation.

The disclosures prescribed under Regulation 73 of the "ICDR", are as follows:-

a) The object of the preferential issue:

To part finance the Company's Capital Projects/ Augment Long term Working Capital requirements.

b) Proposal of the promoters, directors or key management personnel of the Company to subscribe to the offer :

Persons/Companies belonging to the Promoter Group as stated in the Resolution will be subscribing to the warrants stated therein. None of the other Promoters, Directors or Key Management personnel of the company would be subscribing to the issue.

c) The shareholding pattern of the Company before and after the preferential issue.

Category code	Category of Shareholder	Pre Issue (as on 30.09.2011)		Post Issue (assuming that entire Warrants have been Converted)	
		No.	%	No.	%
(A)	Shareholding of Promoter and Promoter Group				
1	Indian				
(a)	Individuals/ Hindu Undivided Family	29927664	15.26	37927664	17.96
(b)	Central Government/ State Government(s)	0	0	0	0
(c)	Bodies Corporate	47316783	24.12	54316783	25.72
(d)	Financial Institutions/ Banks	0	0	0	0
(e)	Any Others(Specify)	0	0	0	0
	Sub Total(A)(1)	77244447	39.38	92244447	43.68
2	Foreign	0	0	0	0
	Sub Total(A)(2)	0	0	0	0
	Total Shareholding of Promoter and Promoter Group	77244447	39.38	92244447	43.68
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds/ UTI	18705	0.01	18705	0.01
(b)	Financial Institutions /Banks	163235	0.07	163235	0.08
(c)	Central Government/ State Government(s)	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0
(e)	Insurance Companies	8900110	4.54	8900110	4.21
(f)	Foreign Institutional Investors	24794177	12.65	24794177	11.74
(g)	Foreign Venture Capital Investors	0	0	0	0



(h)	Any Other (specify)	0	0	0	0
(h-i)	Foreign Banks	42225	0.02	42225	0.02
	Sub-Total (B)(1)	33918452	17.29	33918452	16.06
B 2	Non-institutions				
(a)	Bodies Corporate	9998181	5.10	9998181	4.74
(b)	Individuals				
I	Individual shareholders holding nominal share capital up to Rs 1 lakh	54857650	27.96	54857650	25.98
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	8696299	4.43	8696299	4.12
(c)	Any Other (specify)				
(c-i)	Clearing Member	72562	0.04	72562	0.03
(c-ii)	NRI	2780886	1.42	2780886	1.32
(c-iii)	OCBs	5779013	2.95	5779013	2.74
(c-iv)	Trust	33350	0.02	33350	0.02
(c-v)	Non Domestic Company	0	0	0	0
	Sub-Total (B)(2)	82217941	41.92	82217941	38.95
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	116136393	59.21	116136393	55.01
	TOTAL (A)+(B)	193380840	98.59	208380840	98.69
(C)	Shares held by Custodians and against which Depository Receipts have been issued				
1	Promoter and Promoter group	0	0	0	0
2	Public	2773750	1.41	2773750	1.31
	GRAND TOTAL (A)+(B)+(C)	196154590	100	211154590	100

d) Time within which the preferential issue shall be completed :

The Company shall complete allotment of the Warrants within fifteen days of passing of the proposed resolution approving the preferential issue, by the Shareholders.

Provided that where any approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of fifteen days shall be counted from the date or order on such application or the date of approval or permission, as the case may be.

e) Identity of the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:

Sr. No.	Name of the proposed Allotees & identity	No. of Warrants proposed to be allotted	No. of equity shares entitled on conversion of warrants.	% of Post Preferential Share Holding in the Company
1.	Shri Vivek Jain & Smt.. Meeta Jain	upto 12,63,200	upto 12,63,200	0.92
2.	Shri Saatvik Jain & Shri Vivek Jain	upto 12,63,200	upto 12,63,200	0.60
3.	Smt. Usha P. Jain	upto 17,36,800	upto 17,36,800	1.44
4.	Shri Bakul Jain & Smt. Paulomi Jain & Smt. Durgavati Jain	upto 17,36,800	upto 17,36,800	0.88
5.	Shri Mudit Jain	upto 10,00,000	upto 10,00,000	1.23
6.	Smt. Vandana Jain	upto 10,00,000	upto 10,00,000	1.95
7.	Sahu Brothers Pvt. Ltd.	upto 70,00,000	upto 70,00,000	24.05



The total promoter share holding will be 43.68% of the post issue share capital of the Company assuming full conversion of the warrants. There will be no change in the control of the Company.

- f) The Company undertakes to re-compute the price of the specified securities in terms of the provisions of the ICDR where it is required to do so;
- g) The Company further undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in the ICDR, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

A copy of the certificate of the Company's Statutory Auditor certifying that the issue is being made in accordance with the requirements of the ICDR, will be placed before the Annual General Meeting of the shareholders, considering the preferential issue.

The relevant clause of the Listing Agreements executed by the Company with the Stock Exchanges in India where the Company's securities are listed and the provisions of Section 81 of the Companies Act, 1956 provide, inter-alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such shares shall be first offered to the existing shareholders of the Company for subscription unless the shareholders decide otherwise in a General Meeting.

The Special Resolution proposed at Item No. 12 of the Notice will, if passed, enable the Board on behalf of the Company, to issue and allot Warrants convertible into Equity Shares on a preferential basis to the promoter group mentioned in the resolution as permitted by Section 81 (1A) of the Companies Act, 1956. The Company, in consultation with

its advisors, experts and others concerned, will fix the detailed terms and conditions of the issue which will be in line with the requirements of the regulations/guidelines issued/ to be issued by the Securities and Exchange Board of India (SEBI) and by any other concerned authorities.

Dr. S.C. Jain, Shri P.K. Jain, Shri Bakul Jain, Managing Directors and Mrs. Vandana Jain, Executive Director, being Promoter Directors shall be deemed to be concerned or interested in the Resolution to the extent the warrants are subscribed by them, their relatives and the companies belonging to the Promoter group. None of the other Directors are concerned or interested in the resolution.

Your Directors recommend the resolution as at item No. 12 for your approval.

Item No. 13

The present Article 157 of the Articles of Association of the Company provides that the Common Seal of the Company can be affixed on any document only in the presence of any one of the Directors who shall sign the document and countersigned by the Secretary or any other authorized official of the Company. Due to their busy schedule, Directors some times find it difficult to be present while affixing Common Seal of the Company. Hence, for administrative convenience it is proposed to substitute the present Article as stated in the resolution.

A copy of the Memorandum and Articles of Association of the Company together with proposed amendments is available for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 A.M. and 1.00 P.M.

Your Directors recommend the resolution as at item No. 13 for your approval.

None of the Directors are concerned or interested in the resolution.

STATEMENT OF DISCLOSURE UNDER SCHEDULE XIII OF THE COMPANIES ACT, 1956:-

I. GENERAL INFORMATION :

(1) Nature of Industry :

The Company is engaged in the manufacture and sale of chemicals such as Soda Ash,

Caustic Soda, Synthetic Rutile, PVC etc. It is also engaged in generation and sale of Power.

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

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

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

Not applicable.

(4) Financial performance based on given indicators :

(Rs. In Lakhs)

Financial Parameters	2008-09	2009-2010	2010-2011
Total Revenue (Net)	94,002.02	1,02,914.33	1,05,765.43
Total Expense	87,876.91	88,575.33	99,065.88
Profit/Loss After Tax	1,424.61	6,763.04	2,891.01
Dividend Rate	15%	18%	18%

(5) Export performance and net foreign exchange collaborations

The Company earned foreign exchange of Rs. 153.34 crores during the year ended 31/3/2011 against Rs. 96.92 crores earned during the year ended 31/3/2010. The foreign exchange outgo during the year ended 31/3/2011 was Rs. 520.83 crores against Rs. 454.78 crores in the year ended 31/3/2010.

(6) Foreign Investments or collaborators, if any.

The foreign holding in the Company as on 30/6/2011 is 18.72% of the equity capital of the Company. The Company has no foreign collaborators.

II. INFORMATION ABOUT THE APPOINTEES :

(1) Background details –

Dr. S. C. Jain holds a Doctorate (Ph.D) in Economics from Saurashtra University, Gujarat for his thesis on "Sickness, Stability and Growth" Case Study of Alkali Industry in India. He



is a Director of the Company since 1955 and Managing Director since 1969 and presently Chairman and Managing Director of the Company.

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

Smt. Vandana Jain is a B.Com. and is Executive Director of the Company since 2006.

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

(2) **Past remuneration –**

a) Salary :

All the three Managing Directors and the Executive Director were paid a Salary Rs. 3,00,000/- per month.

b) Perquisites :

In addition to Salary, all the three Managing Directors and the Executive Director were paid perquisites subject to maximum of Rs. 12,00,000/- per annum. Perquisites are evaluated as per the Income Tax Rules wherever applicable. In the absence of any such Rules, Perquisites are evaluated at actual cost.

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

Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the

Income Tax Act. Gratuity payable at a rate not exceeding half-a-month's salary for each completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of ceiling on perquisites.

c) Commission :

Commission is paid in addition to the above Salary and Perquisites and is calculated with reference to the net profits of the Company in the relevant financial Year as determined on approval of the accounts subsequent to the year ending. The amount of such Commission to each of the Managing Director and the Executive Director shall be subject to the overall ceilings stipulated in Sections 198 and 309 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 Director in that year.

(3) **Recognition / awards**

Dr. S. C. Jain who has a Doctorate (Ph.D.) in Economics was the first President of PVC Resins Manufacturers Association. He was a Special Executive Magistrate appointed by the Government of Maharashtra. He was also a senate member of the University of Bombay. Dr. Jain was the Chairman of the Royal Western India Turf Club Limited, the Premier Turf Club in India for many years.

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

Smt. Vandana Jain is B.Com. from Bombay University.

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

(4) **Job profile and his suitability**

Dr. S. C. Jain – Dr. S. C. Jain was largely responsible for the establishment and financial success of the Caustic Soda Plant at Sahapuram, Tamilnadu. From 1965 to 1970 he

also spear-headed the commissioning of 3 plants that turned the co-product Chlorine into a useful product – the Liquid Chlorine plant in 1965, the Trichloroethylene Plant in 1968 and integrated PVC in 1970. In the early 1970, Dr. Jain initiated a project for the manufacture of Upgraded Ilmenite. This product has been continuously exported to the leading markets especially in U.S. and Japan. Dr. Jain was responsible for the revamping of the PVC Plant which became sick in 1978 and presently it contributes 50% of the total sales of the Company. Dr. Jain is presently the Chairman and Managing Director of the Company and is overall incharge of the working of the Company. Dr. Jain's knowledge, experience and his management capabilities will help this company to reach further heights and therefore, his continued service and guidance is required by 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 incharge of the Caustic Soda Unit of the Company and also is in charge of new projects and diversifications. He was instrumental in converting the Caustic Soda Unit from Mercury Cell Technology to Membrane cell Technology which resulted an increase in the installed capacity of Caustic Soda Unit from 60000 TPA to 1,00,000 TPA. This conversion of technology also resulted in substantial reduction in the consumption of power. Under his able leadership the Company has also set-up a 2x25 MW Thermal Co-generation plant at its Works at Sahapuram, Tamilnadu, making the Company not only self-sufficient in its power requirements but also having surplus power to sell to Electricity Boards/ third parties. He also increased the installed capacity of the Company's Synthetic Rutile Plant from 25000 TPA to 48000 TPA.



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

Smt. Vandana Jain - Smt. Vandana Jain was appointed as Executive Director in 2006. She was having experience in the manufacturing industry. She is in charge of the Company's two Captive Power Plants at its works at Sahupuram, Tamilnadu viz., 6 x 6 MW DG based Captive Power Plant and 2 x 25 MW Coal based Co-generation plant. Having regard to her experience and knowledge, it will be in the interest of Company to continue to have her service.

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

(5) Remuneration proposed

Name of the Director	Proposed Salary per month (Rs.)	Perquisites Per annum
Dr. S. C. Jain	3,00,000	12,00,000*
Shri Bakul Jain	3,00,000	12,00,000*
Smt. Vandana Jain	3,00,000	12,00,000*
Shri Pramod Kumar Jain	3,00,000	12,00,000*

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

Company shall provide a car with a driver and telephone facility at the residence. Provision of car for use on company's business and telephone at residence will not

be considered as perquisites. Personal long distance calls and use of the car for private purpose shall be billed by the Company.

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.

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 and Executive Director shall be subject to the overall ceilings stipulated in Sections 198 and 309 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 Director in that year.

Minimum Remuneration.

If in any financial year during the tenure of the aforesaid Managing Directors and Executive Director, the Company has no profits or its profits are inadequate, they shall be paid the salary of Rs.3,00,000/- alongwith the Perquisites not exceeding Rs.12,00,000/- per annum as minimum remuneration but shall not be entitled for any commission

(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 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 and the Executive Director have pecuniary relationship with the Company in their capacity as Managing Directors and Executive Director and all of them are also Promoters of the Company. They are also related to each other.

III Other Information:

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

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

IV Disclosures

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

By Order of the Board of Directors,
Chital Shah
Dy. Company Secretary

Mumbai, October 20, 2011

Registered Office :
Dhrangadhra - 363 315
Gujarat



TO THE MEMBERS

Your Directors present their 72nd Annual Report and Audited Accounts for the Financial Year ended 31st March, 2011 :

1. FINANCIAL RESULTS :

	31-3-2011 (Rs. in lacs)	31-3-2010 (Rs. in lacs)
Gross Sales	1,14,561.93	1,09,575.61
Gross Profit	8,344.62	14,339.00
Less : Provisions		
Depreciation	4,755.79	4,892.71
Profit Before Tax	3,588.83	9,446.29
Tax : Current Period	1,360.00	1,725.00
Previous Period	—	(155.00)
MAT Credit available for set off / Utilized	—	638.25
	<u>1,360.00</u>	<u>2,208.25</u>
Profit After Current Tax & Tax Adjustments	2,228.83	7,238.04
Deferred Tax	(662.18)	475.00
Profit after Tax	2,891.01	6,763.04
Add : Balance brought forward	4,004.36	2,067.46
Profit available for Appropriation	6,895.37	8,830.50
Appropriations :		
General Reserves	4,000.00	4,000.00
Proposed Dividend	706.16	706.16
Dividend Distribution Tax	114.56	120.01
Balance carried forward	2,074.65	4,004.33

2. DIVIDEND

Your Directors recommended payment of Dividend at Rs. 0.36 (18%) per equity share of Rs. 2/- each.

3. OPERATIONS :

Sales during the year were Rs. 1,145.62 crores as compared to Rs. 1,095.76 crores recorded in the previous year, registering an increase of 4.55%. The Gross Profit for the year (before depreciation) is Rs. 83.45 crores against Rs. 143.39 crores in previous year. The profit before tax amounted to Rs. 35.89 crores as against Rs. 94.46 crores in the previous year. The profit after provision of tax is Rs. 28.91 crores against previous years Rs. 67.63 crores, an decrease of 57%.

Directors' Report

The Company's profits have been lower during the financial year on account of higher raw material prices, coupled with higher energy costs due to increase in cost of coal and oil. The price realization on the products has since gone up, the Company is hopeful of achieving improved profitability in the current year.

4. EXPORTS :

The Company's exports were Rs. 153.34 crores as compared to Rs. 96.92 crores in the previous year. The 58% increase in exports was on account of higher export of Beneficated limenite coupled with higher realisation. The price of the product has further gone up and the Company is hopeful of achieving increase in exports turn over during current year.

5. DIVISIONWISE PERFORMANCE

a) PVC Division

The turnover of the division is Rs. 517.63 crores as compared to Rs. 456.66 crores in the previous year, registering an increase of 13%. This increase in sales was due to increase in quantity sold of PVC compared to previous year. The company sold 89944 MT of PVC resin compared to 85311 MT in the previous year. All major user

segments are recording good demand and PVC industry continues to show positive growth. The Government has identified irrigation, power and infrastructure, as thrust areas and increased activity in these sectors are likely to boost demand of PVC Resin.

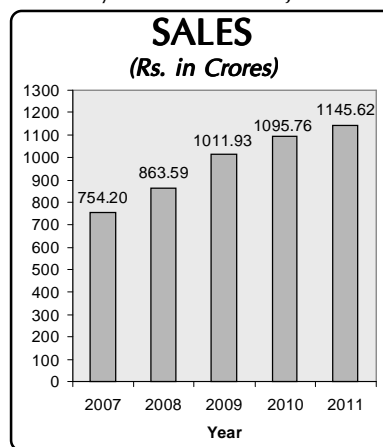
b) Caustic Soda Division :

The turnover of the division is Rs. 438.72 crores as compared to Rs. 438.84 crores in the previous year. The Company sold 81355 MT of Caustic Soda during the year as compared to 75611 MT in the previous year, an increase of 8%. Though Caustic Soda registered higher quantity of sales, realization on Caustic Soda has been lower during the year compared to previous year.

Also due to higher captive consumption of power by the company surplus power available for sale has come down compared to previous year. Average realisation on sale of power has also come down compared to previous year due to the State Electricity Board purchasing lower quantity of power.

c) Soda Ash Division :

The turnover of the division was Rs. 188.28 crores as compared to Rs. 192.87 crores in the previous year, registering a decrease of 2%. The decrease in turnover is mainly due to lower quantity of Soda Ash and Soda Bicarbonate sold compared to previous year. The Company sold 72658 MT of Soda Ash, 19638 MT of Soda Bicarbonate and 31489 MT of Detergent during the year as compared to 80186 MT of Soda Ash, 23741 MT of Soda Bicarbonate and 29721 MT of Detergent, in the previous year.





7. PROJECTS IMPLEMENTED AND UNDER IMPLEMENTATION :

7.1 Projects Implemented during the year :

7.1.1 Additional 8.27 MW Turbine in Thermal Power Plant :

The Company has successfully commissioned additional 8.27 MW Turbine in its Thermal Co-generation power plant during the year. The additional turbine will help company in reducing the overall cost of energy.

7.2 Projects Under Implementation :

7.2.1 Calcium Chloride Plant :

The Company had started necessary modification in its Calcium Chloride plant at its Soda Ash Unit, during the year as suggested by Akzo Noble, Netherlands, by installing additional equipments. The work on the plant is in final stages and is expected to start production by second quarter of 2011-12.

7.2.2 Solway Towers

Solway towers installed at the Soda Ash Unit are still to be commissioned. An assignment was given to Akzo Noble, Neatherlands, to do basic engineering to utilise the towers and to increase Soda Ash production. Akzo Noble has submitted Basic Engineering documents and detailed Engineering work is under progress. On completion of same company will start placing orders for doing the necessary modifications to the towers in current year and is expected to be completed by next year.

7.2.3 Synthetic Iron Oxide Pigment and Calcium Chloride Project :

The company is establishing a Synthetic iron oxide

pigment (SIOP) plant at its production facility located at Sahupuram, in Tamil Nadu. The proposed new facility will refine and convert waste effluent stream coming out from it Beneficiated ilmenite plant which is rich in iron (iron Chloride liquor). The project will enable the company to utilise its waste and generate a commercially viable product.

The facility will be employing both DCW's in-house developed patented yellow iron oxide pigment technology and also the technology it has licensed from Rockwood Italia (Group Company of Rockwood Pigments, USA) for manufacture of red iron oxide pigment. The facility's annual iron oxide pigment manufacturing and finishing capacity will be approximately 32,000 TPA. Waste steam coming out from the Synthetic Iron Oxide Pigment Plant will be used to convert it into Calcium Chloride and pure water, the company will be producing 50000TPA of Calcium Chloride.

The Company has appointed UHDE India Ltd., well known engineering company

to provide engineering services for this plant. Detailed engineering has been completed and the company is in process of placing orders for various equipments with the vendors. This plant is expected to start commercial production by 2013-14.

DCW has also entered into a product off take agreement with Rockwood Italia for 50% of the Synthetic Iron Oxide Pigment produced. The company to sell the remaining 50% of the product manufactured either to Rockwood Italia or to third parties at its option.

8. CORPORATE GOVERNANCE :

The report on Corporate Governance is annexed to this report.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

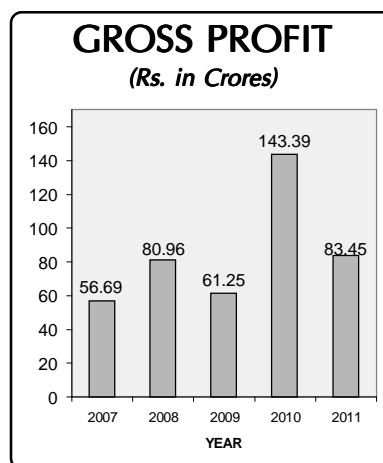
Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is set out in the Annexure forming part of this Report.

10. PARTICULARS OF EMPLOYEES :

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

11. ENVIRONMENT AND SAFETY MEASURES :

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





12. DIRECTORS :

Shri. Bakul Jain, Shri. S. K. Jalan, and Dr. V. H. Joshi, Directors, retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for reappointment.

13. AUDITORS AND AUDITORS' REPORT

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

Regarding qualifications in Auditors' Report on non disclosure of respective liabilities / assets and showing the total assets and total liabilities lesser to the extent of Rs. 1,459.32 lacs, the notes to accounts referred to in the Auditors' report are self explanatory and do not call for further clarification. As regards inclusion of power turnover and profit related there to as part of Caustic Soda segment is due to the fact that the Thermal Co-generation Power Plant from which surplus power has been sold is Captive Power Plant of the Company's Caustic Soda Division. Surplus power is presently available with the Company on account of delay in establishing commissioning of certain expansion / new projects. As the sale of power is of a temporary nature, it has not been reported as a separate segment.

14. COST AUDIT :

In accordance with the directions received from the Department of Company Affairs, the Company had appointed M/s. N. D. Birla & Company, Ahmedabad and M/s. R. Nanabhoy & Company, Mumbai for conducting the Cost Audit of the Company's Soda Ash and Caustic Soda Divisions respectively for the financial

year 2009-10. Their appointments were approved by the Ministry of Corporate Affairs. They had conducted the cost audit for the financial year 2009-10 of respective divisions and had filed the cost audit report with the Central Government. The due date for filing of cost audit report was 27th September, 2010 and the same had been filed on 17th September, 2010 and 16th September, 2010 respectively.

The company has re-appointed M/s. N. D. Birla & Company, Ahmedabad and M/s. R. Nanabhoy & Company, Mumbai for conducting the Cost Audit of the Company's Soda Ash and Caustic Soda Divisions respectively for the financial year 2010-11. Their appointments were approved by the Ministry of Corporate Affairs. They would conduct the cost audit for the financial year 2010-11 of respective divisions and file the cost audit reports with the Central Government before due date. The due date for filing of cost audit report is 27th September, 2011.

15. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

Outlook :

The Company has a diversified operation with three business segments viz. PVC, Chloro

Alkali and Soda Ash. It is thus reasonably protected from the vagaries of individual business cycles of these products.

PVC Division :

The Company, one of the country's five producers of PVC resin, has maintained its market share of about 10%. Against demand of 1.75 million tons, the domestic production capacity is 1.25 Million Tons thereby leaving shortfall of over 0.50 Million Tons. Also PVC demand is growing at a CAGR of above 10%, with increased government spending towards infrastructure, agriculture and water management. The Company is exploring the possibility of increasing PVC Production, to cater to this demand supply gap.

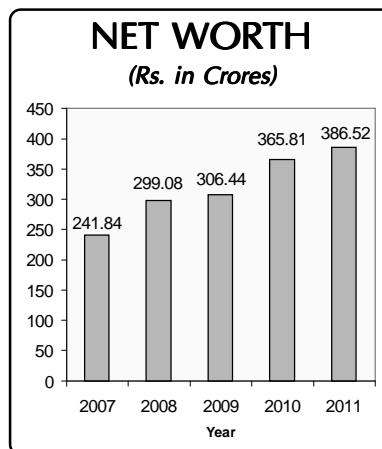
Caustic Soda Division :

The Company continues to be a major player in South India with a market share of approximately 15%. The demand for caustic soda is expected to grow at a steady rate of 4% to 5%, especially with increased demand from alumina manufacturers. The company is able to fully use its HCL & Chlorine to maintain Caustic Production at full level.

The conversion from Mercury Cell to Membrane Cell technology has not only resulted in substantial capacity addition but also has brought down the consumption of power which has helped in improving the bottom-line.

Soda Ash Division :

The Soda Ash Industry continues to grow at a compounded rate of 4% to 5% per annum and this trend is expected to continue due to strong demand from end user industries. Plans are being made to marginally increase Soda Ash production by utilizing the Solway Towers and installation of Co2 compressor.





Sale of Surplus Power :

The Company's Captive Thermal Co-Generation Plant established as part of its Caustic Soda Division to meet company's present and future energy requirements. This Thermal Co-generation plant at present has additional un-utilised capacity. With the demand of power going up due to power shortfall in the country, the company is selling the excess power to Tamil Nadu Electricity Board and to third parties in the State of Tamil Nadu since last year.

Proposed Projects :

Trichloroethylene Capacity increase :

The company has capacity to manufacture 7200 TPA Trichloroethylene. This plant is running at its full capacity. Trichloroethylene demand is increasing both in local market as well as globally. The company now proposes to increase its Trichloroethylene capacity by 5000TPA which will replace the imports of Trichloroethylene. This will help the company in increasing its captive consumption of Chlorine, reducing the dependence on sale of chlorine.

PVC Balancing Equipment Programme :

The company is planning automation of the entire PVC process which will result in reducing the non-process time. With the automation of the process charging and cleaning of reactors, will result in PVC capacity to go up from existing 90000 TPA to 140000 TPA. With this increase in capacity company has to augment its drying and packing capacities along with raw material (VCM) storage availability. The entire program will take 15-18 months from zero date.

Internal Control Systems :

The Company has an adequate internal control procedure commensurate with the nature

of its business and size of its operations. Internal Audit is conducted on a regular basis by an independent firm of Chartered Accountants. However, the Board of Directors are re-examining the scope of Internal Audit looking into the size of operations of the Company.

The reports of the internal audit along with comments from the management are placed for review before audit committee. The Audit Committee also scrutinizes all the programmes and the adequacy of the internal controls.

Human Resources :

The Company has been following a standard procedure for recruitment of best personnel for all the departments and is making constant and continuous efforts to retain and groom them to meet its present and future requirements. The current strength is 2090 employees. The Company sponsors employees for various seminars on finance, operations, marketing and human resource development to update their skills and develop close co-ordination with their counterparts in industries. This is basically done to enhance their skills in order to achieve an optimum output from them.

Cautionary Note :

Statement in this report describing the company's objectives, projections, estimates, expectations and predictions may be "forward looking statements". Actual results could differ materially from those expressed or implied due to variation in prices of raw materials, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and other incidental factors.

16. DIRECTORS RESPONSIBILITY STATEMENT :

In terms of Section 217(2AA) of

the Companies Act, 1956 your Directors have :

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

17. INSURANCE :

All the properties of the Company are adequately insured.

18. INDUSTRIAL RELATIONS :

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

19. ACKNOWLEDGEMENT :

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

On behalf of the
Board of Directors

Dr. Shashi Chand Jain
*Chairman and
Managing Director*

Mumbai, 16th May, 2011.



Annexure to Directors' Report Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

A. MANDATORY REQUIREMENTS

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

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

2. Board of Directors :

- ***Size of the Board***

The Board of Directors of the Company consists of 9 Directors.

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

Category of Directorship	Name of the Director	Attendance Particulars at the		Other Directorships	Other Committee	
		Board Meetings	Last AGM		Memberships	Chairman-ships
Promoter/ Executive Directors	Dr. Shashi Chand Jain (Chairman & Managing Director)	4	No	5	1	—
	Shri Pramod Kumar Jain (Managing Director)	4	Yes	1	—	—
	Shri Bakul Jain (Managing Director)	4	No	2	—	—
	Smt. Vandana Jain (Executive Director)	3	No	—	—	—
Non Executive and Independent Directors	Shri Sodhsal Singh Dev of Dhrangadhra	3	No	—	—	—
	Shri F.H. Tapia	3	No	—	—	—
	Dr. V.H. Joshi	2	Yes	—	—	—
	Shri Sushil K. Jalan	4	No	6	—	—
	Shri R. V. Ruia	3	No	3	—	—

Promoter Directors are related to each other.

- ***No. of Board Meetings held during the year along with the dates of the meeting :***

During the year four Board Meetings were held on :
14.05.2010, 09.08.2010, 02.11.2010 and 07.02.2011.

The Company placed before the Board the Annual Budget, Performance of various units and other information from time to time as specified in Annexure of the Listing Agreement.

3. Audit Committee :

- ***Terms of Reference :***

The terms of reference of this Committee cover the matters as specified for Audit Committees under



Clause 49 of the Listing Agreement as well as per the provisions of Section 292 A of the Companies Act, 1956.

● **Composition, name of Members and Chairperson :**

The Audit Committee comprises 3 Non-Executive Independent Directors. Dr. V.H. Joshi is the Chairman of this Committee. Shri Sodhsal Singh Dev of Dhrangadhra and Shri F. H. Tapia 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 :

Date of Meetings	Dr. V. H. Joshi	Shri F. H. Tapia	Shri Sodhsal Singh Dev of Dhrangadhra
14.05.2010	Yes	No	Yes
09.08.2010	Yes	Yes	No
02.11.2010	No	Yes	Yes
07.02.2011	No	Yes	Yes

4. Remuneration Committee :

● **Terms of Reference :**

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

● **Details of the remuneration paid to the Directors for the Financial year 2010–2011 is given below :**

Directors	Salary (Rs.)	Benefits (Rs.)	Contribution to Provident Fund & Other funds (Rs.)	Commission (Rs.)	Sitting Fees** (Rs.)	Total (Rs.)
Dr. Shashi Chand Jain	36,00,000	7,60,000	10,69,920	9,00,000	—	63,29,920
Shri Pramod Kumar Jain	36,00,000	7,60,000	10,69,920	9,00,000	—	63,29,920
Shri Bakul Jain	36,00,000	7,60,000	10,69,920	9,00,000	—	63,29,920
Smt. Vandana Jain	36,00,000	12,00,000	97,920	9,00,000	—	57,97,920
Shri F. H. Tapia*	—	—	—	—	33,750	33,750
Dr. V. H. Joshi	—	—	—	—	22,500	22,500
Shri Sodhsal Singh Dev of Dhrangadhra**	—	—	—	—	33,750	33,750
Shri Sushil K. Jalan	—	—	—	—	30,000	30,000
Shri R. V. Ruia	—	—	—	—	22,500	22,500

* Shri F.H. Tapia is holding 5000 equity shares of the Company.

** Shri Sodhsal Singh Dev of Dhrangadhra is holding 55000 equity shares of the Company.

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

The Remuneration Committee comprises 3 Non-Executive Independent Directors. Shri F. H. Tapia is the Chairman of this Committee. Dr. V. H. Joshi and Shri Sodhsal Singh Dev of Dhrangadhra are the other members of the Committee.

● **Attendance during the year :**

There was no Remuneration Committee meeting held during year.

● **Remuneration Policy :**

The Remuneration of Managing Directors and Whole-time Director is approved by the Remuneration Committee and also by the Board (subject to the subsequent approval by the Shareholders at the general body meeting and such other authorities as the case may be). The remuneration is fixed considering various factors such as qualification, experience, expertise and prevailing remuneration in the corporate world, financial position of the Company etc. The remuneration Structure comprises Salary, Perquisites, Commission and Contribution to Provident Fund, Super-annuation Fund and other funds in accordance with the provisions of the Companies Act, 1956. The Non-Executive Directors do not draw any remuneration from the Company besides the sitting fees for each meeting of the Board, Audit and Remuneration Committees attended by them.



Sitting Fee also includes payment for Board level committee meetings.

Dr. Shashi Chand Jain, Shri Pramod Kumar Jain and Shri Bakul Jain and Mrs. Vandana Jain are each entitled for commission @ 25% of the difference between 10% of the net profits as computed under Section 349 of the Companies Act, 1956, in a financial year and the aggregate of the salary and perquisites and benefits paid to all the Managing Directors and Executive Director in that year subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956.

The appointments of Managing Directors / Executive Director are contractual and are for a period of 5 years.

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

No severance fee is payable on termination of appointment.

Non-Executive Directors are not paid / not entitled for any remuneration other than sitting fees.

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

5. Shareholders' / Investors' Grievance Committee :

Shri F. H. Tapia, Non-executive Director is the Chairperson of the Shareholders' / Investors' Grievance Committee.

Mrs. Chital V. Shah is the Compliance Officer of the Company.

There were 109 complaints received from the shareholders during the year.

All the Complaints were resolved satisfactorily.

There were no pending complaints as on 31.03.2011

6. General Body Meetings :

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

Year	Location	Date	Time	No. of Special Resolutions Passed
2007-08	Dhrangadhra, Gujarat	30.06.2008	10.00 a.m.	1
2008-09	Dhrangadhra, Gujarat	27.08.2009	10.00 a.m.	9
2009-10	Dhrangadhra, Gujarat	12.08.2010	10.00 a.m.	0

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

7. Disclosures :

1. During the year, there were no transactions of material nature with the Promoters, Directors or the management or relatives etc. that may have potential conflict with the interest of the Company at large.

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

3. DCW Code of Conduct :

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

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

I hereby confirm that the Company has obtained from all the members of the Board and Sr. Management Personnel, affirmation that they have complied with the code of conduct for the Directors and Sr. Management Personnel in respect of the financial year 2010-2011.

Dr. S. C. Jain

Chairman & Managing Director

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

Whistle Blower mechanism is in existence and



no personnel have been denied access to the Chairman of the Audit Committee.

4. Compliance with Mandatory Requirements :

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

Compliance with Non-Mandatory Requirements :

(1) The Board :

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

(2) Remuneration Committee :

Please refer Item No. 4 under the heading 'Mandatory Requirements.

(3) Shareholders' Rights :

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

(4) Audit qualification :

The Company move towards a regime of unqualified financial statements.

(5) Training of Board Members :

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

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

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

(7) Whistle Blower Policy :

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

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT/ETHICS :

All the Directors and Senior Management personnel have affirmed compliance with the Code

of Conduct / Ethics as approved and adopted by the Board of Directors.

8. Means of Communication

- The Quarterly results are published in 'Economic Times Financial Express' in all editions in India including in the Gujarat edition published from Ahmedabad. These are not sent individually to the shareholders.
- The above results are also displayed on the Company's web-site viz. www.dcwlimited.com
- There were no presentations made to the institutional investors or to the analysts.

9. General Shareholders information

ANNUAL GENERAL MEETING :

- *Day & Date* – Thursday, 24th day of November, 2011.
- *Time* – 10.00 A.M.
- *Venue* – at the Registered Office (at Guest House No. 2), Dhrangadhra, Gujarat – 363 315

Financial calendar : April 2010 – March 2011

Date of Book closure : Tuesday, 15th November, 2011 to Thursday, 24th November, 2011. (both days inclusive).

Dividend Payment Date : 29th November, 2011.

Listing on Stock Exchanges :

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

- **The Mumbai Stock Exchange (BSE)** – Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023.
- **National Stock Exchange of India Limited (NSE)** – 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 2011 – 2012.

GDRs of the Company are listed with the Luxembourg Stock Exchange.

Stock Code : 500117 (BSE)
DCW (NSE)

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



Share Transfers and other Communications may be Addressed to

Bigshare Services Pvt. Ltd.,
Unit DCW Ltd.,
E/2 & 3, Ansa Indl. Estate,
Sakivihar Road, Saki Naka,
Andheri (East),
Mumbai – 400 072.
Tel. : 91-22 – 28470652,
40430200, 28470653
Fax : 91-22-28475207
Email : investor@bigshareonline.com

Investors' complaints may be Addressed to Asst. Company Secretary
DCW Limited
Nirmal, 3rd Floor,
Nariman Point,
Mumbai – 400 021.

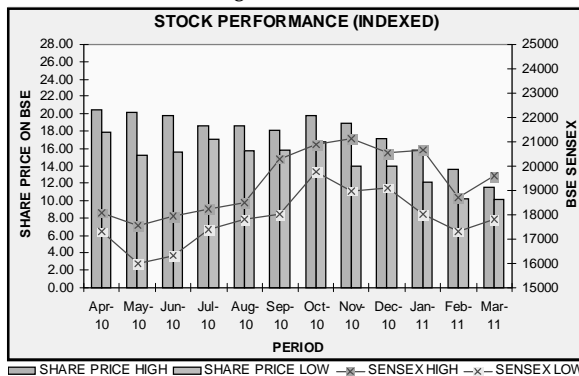
Market price data :

High / Low During each month in last Financial year :

Month/Year	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2010	20.40	17.85	20.50	17.85
May, 2010	19.60	14.60	20.15	15.30
June, 2010	19.70	15.40	19.75	15.55
July, 2010	18.60	17.00	18.60	17.00
August, 2010	18.60	15.75	18.60	15.70
September, 2010	18.10	15.80	18.10	15.80
October, 2010	19.80	16.05	19.80	16.75
November, 2010	18.90	13.05	18.95	14.00
December, 2010	17.15	13.90	17.20	14.00
January, 2011	15.90	12.15	15.85	12.15
February, 2011	12.90	10.20	13.60	10.26
March, 2011	12.20	10.45	11.55	10.10

Stock Performance (Indexed) :

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



Registrar and Share Transfer Agents :

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

Our RTA, Bigshare Services Private Limited recently launched 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 20 days from the date of lodgement, if documents are complete in all respects.

Distribution of Shareholding as on 31.03.2011 :

Range	No. of Shareholders	% of Shareholders	Total No. of Shares held	% of Total Capital
1 – 500	45,260	69.51	1,00,97,868	5.15
501 – 1000	9,520	14.62	82,79,832	4.22
1001 – 2000	4783	7.35	76,04,661	3.88
2001 – 3000	1887	2.90	49,36,805	2.52
3001 – 4000	787	1.21	28,63,995	1.46
4001 – 5000	933	1.43	44,81,685	2.28
5001 – 10000	1055	1.62	79,72,158	4.06
10001 above	888	1.36	14,99,17,586	76.43
TOTAL	65,113	100.00	19,61,54,590	100.00

Shareholding Pattern as on 31.03.2011 :

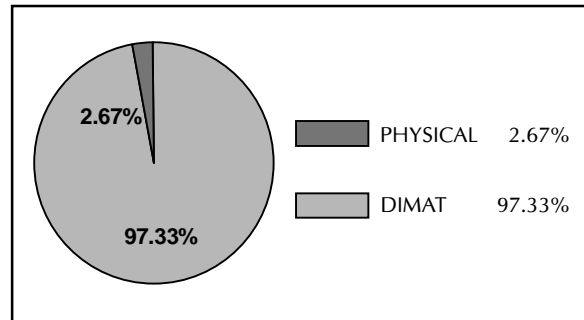
Category of Shareholders	No. of Shares held	Percentage of Shareholding
(A) SHAREHOLDING OF PROMOTER AND PROMOTER GROUP		
1. Indian		
(a) Individuals/Hindu Undivided Family	2,95,61,760	15.08
(b) Central Government/ State Government(s)	—	—
(c) Bodies Corporate	4,73,16,783	24.12
(d) Financial Institutions/ Banks	—	—
(e) Any Others (Specify)	—	—
Sub Total (A)(1)	7,68,78,543	39.20



2. Foreign		
(a) Individuals (Non-Residents Individuals/Foreign Individuals)	—	—
(b) Bodies Corporate	—	—
(c) Institutions	—	—
(d) Any Others (Specify)	—	—
Sub Total (A)(2)	—	—
Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	7,68,78,543	39.20
(B) Public shareholding		
1. Institutions		
(a) Mutual Funds/ UTI	27,955	0.01
(b) Financial Institutions / Banks	2,54,585	0.13
(c) Central Government/ State Government(s)	—	—
(d) Venture Capital Funds	—	—
(e) Insurance Companies	89,00,110	4.54
(f) Foreign Institutional Investors	2,52,47,677	12.87
(g) Foreign Venture Capital Investors	—	—
(h) Any Other (specify)	—	—
(h-i) Foreign Banks	42,225	0.02
Sub-Total (B)(1)	3,44,72,552	17.57
2. Non-institutions		
(a) Bodies Corporate	1,02,28,899	5.21
(b) Individuals	6,25,65,811	31.90
(c) Any Other (specify)		
(c-i) Clearing Member	2,88,716	0.15
(c-ii) NRI	31,26,956	1.59
(c-iii) OCBs	57,86,013	2.95
(c-iv) Trust	33,350	0.02
Sub-Total (B)(2)	8,20,29,745	41.82
(B) Total Public Shareholding (B) = (B)(1) + (B)(2)	11,65,02,297	59.39
TOTAL (A) + (B)	19,33,80,840	98.59
(C) Shares held by Custodians and against which Depository Receipts have been issued	27,73,750	1.41
GRAND TOTAL (A) + (B) + (C)	19,61,54,590	100.00

Dematerialisation of shares :

19,09,26,030 Equity shares held by 58,397 Shareholders comprising 97.33% of the paid up Share Capital have been dematerialised as on 31st March, 2011.



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

Outstanding GDRs as on 31st March, 2011 represent 27,73,750 shares (1.41%). There are no further outstanding instruments, which are convertible into equity in future.

Plant Location :

Given in the 1st page of this Annual Report

Address for correspondence :

DCW Limited,
Nirmal, 3rd Floor,
Nariman Point,
Mumbai – 400 021.



CERTIFICATE ON CLAUSE 49 COMPLIANCE

To the Members of:

DCW LIMITED

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31st March, 2011.

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

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

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

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

We further state that such compliance is neither an assurance as to the future viability of the

Company, nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S. K. Jain & Co.,

(S. K. Jain)

Partner

Place: Mumbai

Date: **16th May, 2011**



Annexure to the Director's Report

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

A. CONSERVATION OF ENERGY :

1. Installation of supermizers

Supermizers, the electronic device to reduce energy consumption in three phase induction motors, are being used continuously in all plants to save energy. During the year 165 supermizers have been in service resulting in saving of about 17 lacs units.

2. Fan less cooling towers

6 Nos of cooling towers were in service and annual energy savings to a tune of 12 lacs units has been achieved.

3. Suggestion fortnight was organised during December in connection with National Energy Conservation Day celebrations. 6 suggestions were received from employees and implementation of the said proposals have resulted in savings of 3.2 Lacs units up to March-11

4. Cost Improvements Programme

In-house cost improvements programme are conducted periodically where mostly energy saving proposals are given by all departments for implementation. During the year under report, 2 programmes were conducted and 45 suggestions resulting in annual savings to the tune of Rs. 50 Lacs have been implemented.

5. QHSE system

Under Companywide Objectives and Targets for 2010-11, following have been achieved:

- Overall 2.33% reduction in specific power consumptions
- Overall 9.13% reduction in specific steam consumptions
- Overall 5.72% reduction in specific water consumptions
- 17.13% reduction in specific generation of waste

6. Energy conservation awards

DCW-Sahapuram unit has received "Excellent Energy Efficient Unit" award for the year 2010 by Confederation of Indian Industry (CII), Hyderabad in a National level Award Competition held at Chennai. This is 2nd consecutive year the said award is won. In addition, another award in the category "Best Innovative project" was also won in the said competition.

B. TECHNOLOGY ABSORPTION :

1. Researches and Development :

1.1 CHLOR ALKALI PLANT :

1.1.1 With in-house efforts and de bottlenecking of Trichloroethylene plant, capacity enhanced from 450 MT per month to around 650 MT per month.

1.1.2 In-house Studies are on for installation of Sulphate Removal System for the Caustic Soda Plant.

1.2 SYNTHETIC RUTILE :

1.2.1. *Process optimization to reduce cycle time and conserve energy.*

Automation trials in one digester have been effectively utilized for optimizing leaching process



with different grades of Ilmenite ore. With depleting Ilmenite reserves in India, future operation of plant largely depends on the ore imported from different countries. Re- engineering of entire digester house combined with automated operations is under active consideration.

1.2.2. Plant expansion

Reduction of batch time in digester house to a tune of 30% with automated operations is possible and hence enhanced production capacity. CAPEX for enhancement of BI production is being worked out, which largely covers strengthening of upstream and downstream of digester house. Marginal increase in production is achieved by few modifications like installation of magnetic separator in ore purification plant, scrubbing system in roasters etc.

1.3. PVC

- 1.3.1 A steam condensate recovery unit supplied by Forbes Marshall has been installed to recover steam condensate going as waste from the traps in the steam supply line from Cogen to PVC distribution point and pumped back to Cogen @ about 10 -20 m³ per day.
- 1.3.2 Trials have been conducted using **LAUROX-W-40 (liquid LPO)** to study the reaction cycle instead of solid **LPO** and performance is found to be satisfactory. This has been done to facilitate charging of LPO using pumps during the automation of reactor operation. Likewise trials with Trigonox EHP W 60 (liquid EHP of 60% conc.) instead of Trigonox EHP 40 WS (solid and of 40 % conc.) have been conducted and performance is found satisfactory for ease of pumping for automation of charging. Further there is also a cost saving in using 60% liquid EHP.
- 1.3.3 The Flash Dryer Air intake duct and suction filter have been modified by increasing the filter area which has improved air supply to the flash dryer resulting in increased production.
- 1.3.4 Trials are being carried out to improve the Bulk density of K65 resin by modifying recipe.

2. Expenditure on Research & Development :

(i) Capital	Rs. 516.93 lacs
(ii) Recurring	Rs. 14.28 lacs
	<hr/>
	Rs. 531.21 lacs
	<hr/>

(iii) Total Research & Development Expenditure as a percentage of total turnover (Net of Excise) : 0.46 percentage.

Technology Absorption, Adaptation and Innovation :

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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



REQUISITE DATA IN RESPECT OF ENERGY CONSUMPTION

(A) Power and Fuel Consumption

Particulars	Caustic Soda Unit		PVC Unit		Soda Ash Unit	
	Current Year 2010-2011	Previous Year 2009-2010	Current Year 2010-2011	Previous Year 2009-2010	Current Year 2010-2011	Previous Year 2009-2010
1. ELECTRICITY						
a) Purchased						
Unit (Lakh KWH)	8.49	8.06	5.41	4.60	28.83	28.49
Total Amount (Rs. in lakhs)	281.00	237.11	32.63	25.91	170.63	173.32
Rate/Unit (Rs.)	33.10	29.41	6.03	5.63	5.92	6.08
b) Own Generation						
(i) Through Diesel Generator						
Unit (Lakh KWH)	271.53	1,242.81	7.41	79.49	—	—
Unit/MT of Furnace Oil	4.13	4.99	0.29	0.80	—	—
Cost/Unit KWH (Rs.)	7.31	4.74	7.31	4.74	—	—
(ii) Through Steam Turbine Generator						
Unit (Lakh KWH)	3,516.52	3,043.07	217.62	119.81	239.53	244.30
Unit/MT of Coal	239,681.02	210,890.86	14,847.15	8,303.03	—	—
Cost/Unit KWH (Rs.)	4.53	3.85	4.53	3.85	—	—
2. COAL						
Quantity (MT)	254,528.17	219,193.89	—	—	42,816	34,685
Total cost (Rs. In Lakhs)	15,206.12	10,783.58	—	—	2,111.29	1,353.23
Average rate (Rs.)	5,974.24	4,919.65	—	—	4,931	3,901
3. FURNACE OIL / LSHS / LSFO						
Quantity (MT)	14,044.69	37,467.10	167.41	460.49	—	—
Total Amount (Rs. in Lakhs)	3,753.12	8,235.40	44.58	98.57	—	—
Average Rate (Rs.)	26,723	21,980	26,629	21,405	—	—
4. OTHERS						
(i) Hydrogen						
Quantity (MT)	129.57	180.41	—	—	—	—
Total Amount (Rs. in lakhs)	96.61	112.77	—	—	—	—
Avg. Rate (Rs.)	26,629	22324	—	—	—	—
(ii) Lignite						
Quantity (MT)	—	—	—	—	72,428	77,591
Total Amount (Rs. in Lakhs)	—	—	—	—	1,851.61	1,797.68
Rate/Unit (Rs.)	—	—	—	—	2,556	2,317
(iii) HSD						
Quantity (KL)	44.90	71.52	42.25	46.04	—	—
Total Amount (Rs. in lakhs)	17.09	24.08	16.08	15.93	—	—
Avg. Rate (Rs.)	38062	33669	38,059	34,600	—	—



(B) Consumption per unit of Production

Particulars	Caustic Soda Unit		PVC Unit		Soda Ash Unit	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
1. Electricity (KWH)	2,497	2,467	257	242	235	230
2. Fuel Oil / Coal -Steam (MT)	1.087	1.057	1.378	1.528	—	—
3. Coal (MT)	0.13	0.18	—	—	0.418	0.329
4. Others						
(i) Hydrogen (Kgs)	0.0001	0.0001	—	—	—	—
(ii) Lignite (MT)	—	—	—	—	0.561	0.581
(iii) HSD (Litres)	0.0001	0.0001	—	—	—	—

Annexure to the Directors' Report

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

Sr. No.	Name	Designation/ Nature of duties	Remuneration (Rupees)	Qualification	Experience (Years)	Date of commence- ment of Employment	Age (Years)	Last employment held. Name of the Company, Designation and period of service
Employed for whole of the year								
1	Dr. Shashi Chand Jain	Chairman & Managing Director	63,29,920	Ph.D (Economics)	55	01.04.1969	78	Sahu Brothers Pvt. Ltd., Director - 12 years
2	Shri Pramod Kumar Jain	Managing Director	63,29,920	B.A. (Hon.) Economics	52	01.04.1969	73	Sahu Brothers Pvt. Ltd.
3	Shri Bakul Jain	Managing Director	63,29,920	B.Com., MBA	27	01.09.1984	56	—
Employed for part of the year								
1	Shri V. Venkateswaran	Officer (Godown)	6,41,835	B.Sc	32	15.05.1978	58	—

Notes :

- In case of Managing Directors the gross remuneration shown above (subject to tax) comprise salary, Perquisites, Commission, Company's contribution to Provident Fund, Superannuation Fund and Gratuity Fund.
- In case of other employee, the gross remuneration shown above (subject to tax) comprise salary, perquisites, Company's Contribution to Provident Fund and gratuity paid.
- The nature of employment of the Managing Directors is contractual.
- Dr. Shashi Chand Jain, Shri Pramod Kumar Jain and Shri Bakul Jain – Managing Directors are related to each other and also related to Ms. Vandana Jain, Executive Director of the Company.



Balance Sheet

AS AT 31ST MARCH, 2011

	As at 31.03.2011 US\$ in Millions*	As at 31.03.2010 US\$ in Millions#
SOURCES OF FUNDS		
Shareholders funds :		
Capital	8.80	8.74
Reserves & surplus	79.81	74.71
Loan Funds :		
Secured Loans	74.17	69.65
Unsecured Loans	—	—
Deferred Tax Liability :		
Deferred Tax Liability	17.23	18.59
Deferred Tax Asset	—	—
	17.23	18.59
TOTAL	180.01	171.69
APPLICATION OF FUNDS		
Fixed Assets :		
Gross Block	224.32	223.62
Less : Depreciation	88.22	80.61
	136.10	143.01
Capital Work-in-progress	39.94	20.00
	176.04	163.01
Investments	0.07	0.18
Current Assets, Loans and Advances :		
Inventories	28.54	33.41
Sundry Debtors	23.48	22.66
Cash and Bank balances	0.44	0.38
Loans and advances	16.76	12.59
	69.22	69.04
Less : Current liabilities and Provisions		
Liabilities	61.60	56.80
Provisions	3.72	3.74
	65.32	60.54
Net Current Assets	3.90	8.50
TOTAL	180.01	171.69

* One US\$ = Rs. 44.59

One US\$ = Rs. 44.90



Profit & Loss Account

FOR THE YEAR ENDED 31ST MARCH, 2011

	For the year ended 31.03.2011 US\$ in Millions*	For the year ended 31.03.2010 US\$ in Millions#
INCOME		
Sales (including Excise Duty)	256.92	244.04
<i>Less</i> : Excise Duty	19.73	15.37
	237.19	228.67
Other income	3.69	0.52
	240.88	229.19
EXPENDITURE		
Manufacturing and other expenses	215.34	188.65
Interest & Finance Charges	6.83	8.62
	222.17	197.27
Profit Before Depreciation	18.71	31.92
Depreciation	10.67	10.90
Profit Before Tax	8.04	21.02
Provision For Tax		
Current tax	3.05	3.84
MAT Credit Available for Set off / Utilized	—	1.42
Excess Provision of Income Tax Written Back	—	(0.35)
Profit after Current & Tax Adjustments	4.99	16.11
Deferred Tax	(1.49)	1.06
Profit After Deferred Tax	6.48	15.05
<i>Add</i> : Surplus brought forward from last year	8.98	4.60
	15.46	19.65
APPROPRIATION		
Transfer to General Reserve	8.97	8.91
Proposed Dividend on Equity Shares	1.58	1.57
Tax on Dividend	0.26	0.27
Profit Carried forward	4.65	8.90

* One US\$ = Rs. 44.59

One US\$ = Rs. 44.90



Key Financial Data

	2010-2011		2009-2010	
	Rs. In Millions	US \$ in Millions*	Rs. In Millions	US \$ in Millions#
Gross Sales	11,456.19	256.92	10,957.56	244.04
Fixed Assets – Gross Block	10,002.35	224.32	10,040.73	223.62
Net Block	7,849.50	176.04	7,319.14	163.01
Export Earnings	1,533.39	34.39	969.18	21.59
Earning Before Depreciation and Interest	1,139.13	25.55	1,820.91	40.55
Interest	304.67	6.83	387.01	8.62
Earnings Before Depreciation	834.46	18.71	1,433.90	31.94
Depreciation	475.58	10.67	489.27	10.90
Earnings Before Tax	358.88	8.05	944.63	21.04
Taxation				
Current	136.00	3.05	172.50	3.84
MAT Credit available for set off / utilized	—	—	63.83	1.42
Excess Provision of Income Tax Written Back	—	—	(15.50)	(0.35)
Deferred Tax	(66.22)	(1.49)	47.50	1.06
Earnings After Tax	289.10	6.48	676.30	15.06
No. of shares of Rs. 2/- each (Million Nos.) @	196.15	196.15	196.15	196.15
Earnings per Shares (Rs. / US \$)	1.47	0.03	3.45	0.08
Net Worth (Excl.Revaluation Reserve)	3,865.16	86.68	3,658.13	81.47
Book value per share	19.71	0.44	18.65	0.42
Gross profit to sales (%) (Earnings Before Depreciation)	7.28	7.28	13.09	13.09
Interest coverage Ratio	3.74	3.74	4.71	4.71
Debt / Equity	0.86:1	0.86:1	0.85:1	0.85:1
Current Assets / Current Liabilities	1.06	1.06	1.14	1.14

* 1 US \$ = Rs. 44.59

1 US \$ = Rs. 44.90



Auditor's Report

1. We have audited the attached Balance Sheet of DCW Limited as at 31st March, 2011 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and read together with the Companies (Auditor's Report) Amendment Order, 2004 (hereinafter referred to as the Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Company's Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable, *except the inclusion of power turnover and profit related thereto as part of Caustic Soda segment which is not in accordance with the Accounting Standard 17 on "Segment Reporting"*.
 - (v) On the basis of written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to our observations in para 4(iv) above and *subject to Note No. B12 of Schedule "N" to the Accounts, which has the effect of not disclosing the respective liabilities / assets indicated therein and showing the total assets and total liabilities lesser to the extent of Rs. 1,459.32 lacs*, read with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011,
 - (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date, and
 - (c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

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

S. Venkatraman
Partner
Membership No. 34319

Place : Mumbai
Dated : 16th May, 2011



**Annexure referred to in paragraph 3 of Auditor's Report
to the Shareholders of DCW Limited on the Accounts for the
year ended 31st March 2011**

- i. (a) The Company has maintained proper records showing particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the Management with the assistance of external agencies during the year. In our opinion the frequency of verification is reasonable. No material discrepancies as compared to book records were noticed in respect of fixed assets verified during the year.
- (c) Since there is no disposal of a substantial part of fixed assets during the year, the preparation of financial statements on a going concern basis is not affected on this account.
- ii. (a) The inventory of finished goods (except goods lying with consignees and in transit), stores, spare parts and raw materials (except coal stock lying with outside party and stocks in transit) have been physically verified by the management with the help of external agencies. In our opinion, the frequency of physical verification is reasonable.
- (b) The procedures of physical verification of Inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. (a) Based on the audit procedures applied by us and according to the information and explanations given to us; the company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of para 4(iii)(a) to (d) of the Order are not applicable to the company and hence not commented upon.
- (b) Based on the audit procedures applied by us and according to the information and explanations given to us; the company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of para 4(iii)(e) to (g) of the Order are not applicable to the company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanation that for purchase of certain inventories and fixed assets, alternative sources of supply are limited with reference to quality, delivery schedules, credit period and some of the items purchased are of special nature, and hence comparable alternative quotations are not readily available for these, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956, have been so entered.
- (b) Sub clause (b) of sub-para (v) of para 4 of the Order is not applicable as there are no such transactions exceeding the value of Rupees Five Lacs in respect of any party in the financial year.
- vi. According to the information and explanations given to us, the company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of the para 4 of the Order are not applicable to the company.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.



- viii. The Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of certain products manufactured by the company. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made
- a detailed examination of these records with a view to determine whether they are accurate or complete.
- ix. (a) According to the records of the company, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues that are required to be deposited regularly with authorities, have generally been regularly deposited with the appropriate authorities.
- (b) Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) 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, 2011, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the company, the dues of sales tax / income tax / customs duty / wealth tax / service tax / excise duty / cess, which have not been deposited on account of any dispute are as follows:-

(Amount in Rs. lacs)

Name of the Statute / Nature of Dues	Period	Forum where Dispute is pending						
		supreme Court	High Court	Appellate Tribunal*	Appellate Authority**	Commissionerate	State Government	Grand Total
Customs Act, 1962 (Custom Duty Including Penalty & Interest, wherever applicable)	1997 to 2011		32.56	127.05	—		—	159.61
Central Excise Act, 1944 (Excise Duty Including Penalty & Interest, wherever applicable)	1997 to 2011	0.24	129.76	240.60	14.28	—	—	384.88
Sales Tax legislations (sales tax, including penalty & interest wherever applicable)	1982 to 2011		2.57	141.92	471.24	453.84	—	1069.57
Local cess, local cess surcharge [land revenue including penalty and interest wherever applicable]	1989 to 2011	—	—	—	—	—	12.49	12.69
GRAND TOTAL		0.24	164.89	509.57	485.52	453.84	12.49	1626.55

*Appellate Tribunal includes STAT, CESTAT & ITAT

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



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

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

[S. Venkatraman]
Partner
Membership No. 34319

Place: Mumbai
Dated: 16th May, 2011



Balance Sheet

AS AT 31ST MARCH, 2011

	Schedule	As at 31.03.2011 Rs. in lacs	As at 31.03.2010 Rs. in lacs
SOURCES OF FUNDS			
Shareholders' Funds :			
Capital	A	3,923.09	3,923.09
Reserves and Surplus	B	35,589.44	33,544.80
Loan Funds :			
Secured Loans	C	33,073.38	31,272.91
Unsecured Loans	D	—	—
Deferred tax liability (Net) (Refer Note B - 5 of Schedule – N)		7,682.72	8,344.90
		40,756.10	39,617.81
TOTAL		80,268.63	77,085.70
APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	E	1,00,023.47	1,00,407.30
Less : Depreciation		39,337.67	36,195.86
		60,685.80	64,211.44
Capital Work-in-progress		17,809.23	8,980.00
		78,495.03	73,191.44
Investments	F	32.39	81.15
Current Assets, Loans and Advances			
Inventories	G	12,725.63	14,999.40
Sundry Debtors	H	10,469.67	10,172.60
Cash and Bank Balances	I	193.61	171.18
Loans and Advances	J	7,475.12	5,652.89
		30,864.03	30,996.07
Less : Current Liabilities and Provisions			
Liabilities	K	27,464.94	25,503.52
Provision	L	1,657.88	1,679.44
		29,122.82	27,182.96
Net Current Assets		1,741.21	3,813.11
Contingent Liabilities not provided for Significant Accounting Policies and Notes forming part of Balance Sheet and Profit and Loss Account	M N		
TOTAL		80,268.63	77,085.70

As per our Report attached

For V. Sankar Aiyar & Co.
Chartered Accountants
S. Venkatraman
Partner

Place : Mumbai
Dated : 16th May, 2011

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director
Pramod Kumar Jain
Bakul Jain
Managing Directors

Vimal Jain
Sr. Vice President (Finance)

Sodhsal Singh Dev of Dhrangadhra
Dr. V. H. Joshi
R. V. Ruia
Directors



Profit and Loss Account

FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	For the year ended 31.03.2011 Rs. in lacs	For the year ended 31.03.2010 Rs. in lacs
INCOME			
Sales	'1'	1,14,561.93	1,09,575.61
Less : Excise Duty		(8,796.50)	(6,895.30)
Net Sales		1,05,765.43	1,02,680.31
Other Income	'2'	1,645.07	234.02
		1,07,410.50	1,02,914.33
EXPENDITURE			
Manufacturing and Other expenses	'3'	96,019.16	84,705.24
Interest & Finance Charges (Net)	'4'	3,046.72	3,870.09
		99,065.88	88,575.33
Depreciation	'5'	4,755.79	4,892.71
		1,03,821.67	93,468.04
Profit before tax		3,588.83	9,446.29
Current Tax		1,360.00	1,725.00
MAT Credit Available for set off/utilized		—	638.25
Excess Provision of Income Tax Written Back		—	(155.00)
Profit after Current Tax & Tax Adjustments		2,228.83	7,238.04
Deferred Tax (Refer Note B - 5 of Schedule N)		(662.18)	475.00
Profit after Deferred tax		2,891.01	6,763.04
Add : Surplus brought forward from last year		4,004.36	2,067.46
Available for appropriation		6,895.37	8,830.50
APPROPRIATION			
Transfer to General Reserve		4,000.00	4,000.00
Proposed Dividend on Equity Shares		706.16	706.16
Tax on Dividend		114.56	120.01
		4,820.72	4,826.17
Profit Carried forward		2,074.65	4,004.33
Notes to Profit & Loss Account	'6'		
Earning per share (Face Value Rs. 2)			
Basic		1.47	3.45
Diluted		1.47	3.45

As per our Report attached

For **V. Sankar Aiyar & Co.**
Chartered Accountants
S. Venkatraman
Partner

Place : Mumbai
Dated : 16th May, 2011

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

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Sodhsal Singh Dev of Dhrangadhra
Dr. V. H. Joshi
R. V. Ruia
Directors



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-11 Rs. in Lacs	2009-10
Rs. in Lacs		
A. Cash flow from operating Activities		
Net profit before tax and extraordinary items	3,588.87	9,446.32
Adjustments for :		
Non-cash items	(1,042.82)	169.50
Depreciation	4,755.79	4,892.71
Unrealised foreign exchange loss/ (gain)	27.07	(246.89)
Interest (net)	3,046.70	3,870.09
Dividend income	(31.70)	(22.89)
	6,755.04	8,662.52
Operating profit before working capital changes	10,343.91	18,108.84
Adjustments for :		
Trade and other receivable	(2,338.15)	(1,535.24)
Inventories	2,273.79	(3,151.57)
Current liabilities and provisions	1,917.28	6,704.69
	1,852.92	2,017.88
Cash generation from operations	12,196.83	20,126.72
Direct taxes paid	(1,151.61)	(1,692.04)
	11,045.22	18,434.68
Cash flow before Extraordinary items	11,045.22	18,434.68
Extraordinary items	—	—
Net cash flow from operating Activities	11,045.22	18,434.68
B. Cash flow from Investing Activities		
Purchase of fixed Assets	(14,180.14)	(3,874.33)
Sale of Fixed Assets	5,086.71	26.45
Purchase / Sales of Investments	48.76	(48.81)
Dividend Income	31.70	22.89
Interest income	—	28.61
	(9,012.97)	(3,845.19)
Net cash used in investing Activities	(9,012.97)	(3,845.19)
C. Cash from financing activities		
Proceeds from issue of share capital	—	—
Repayment of Borrowings	(7,316.56)	(10,484.30)
Proceeds from Borrowings	9,168.20	410.00
Interest paid	(3,035.30)	(3,813.62)
Dividend paid	(706.16)	(588.46)
Tax on dividend	(120.01)	(100.01)
	(2,009.83)	(14,576.39)
Net cash used in financing Activities	(2,009.83)	(14,576.39)
Net increase in Cash and Cash equivalents	22.42	13.10
Cash & Cash Equivalents as at 1st April, 2010	171.18	158.08
Cash & Cash Equivalents as at 31st March, 2011	193.60	171.18
	22.42	13.10

Previous year figures have been regrouped to match with current year figures

As per our Report attached

For **V. Sankar Aiyar & Co.**
Chartered Accountants
S. Venkatraman
Partner

Place : Mumbai
Dated : 16th May, 2011

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director
Pramod Kumar Jain
Bakul Jain
Managing Directors

Vimal Jain
Sr. Vice President (Finance)

Sodhsal Singh Dev of Dhrangadhra
Dr. V. H. Joshi
R. V. Ruia
Directors



Schedules

FORMING PART OF THE BALANCE SHEET

SCHEDULE – “A”

SHARE CAPITAL

Authorised Capital

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

TOTAL

Issued, subscribed and paid-up Capital

19,61,54,590 Equity Shares of Rs. 2/- each
(Previous Year 19,61,54,590 shares of Rs. 2/- each)

TOTAL

	As at 31.03.2011 Rs. in lacs	As at 31.03.2010 Rs. in lacs
	6,500.00	6,500.00
	6,500.00	6,500.00
	3,923.09	3,923.09
	3,923.09	3,923.09

Notes :

Of the Equity Shares

- 1) The following Shares were allotted as fully paid-up without payment being received in cash :-
 - a) 5,25,000 Shares to Vendors
 - b) 4,550 Shares to Equity Shareholders of the erstwhile, PRC Limited, pursuant to the amalgamation with the Company.
- 2) 3,74,50,985 Shares were allotted as fully paid up Bonus Shares by Capitalisation of Capital Redemption Reserve, Share Premium Account and General Reserve.
- 3) 2,66,66,550 Shares were issued and allotted consequent to conversion of Part A of the 26,66,655 partly convertible debentures allotted in April'1992.
- 4) 4,61,25,000 Shares were issued in 1994-95 against which Global Depository Receipts were issued by the Depository viz.Citi Bank, USA.
- 5) 2,80,94,525 shares were issued and allotted pursuant to Rights issue made during 2000-01.
- 6) 2,36,10,000 Shares were issued and allotted on preferential basis to the Promoters of the company and FII's during 2007-08.



Schedules
FORMING PART OF THE BALANCE SHEET

	As at 31.03.2011 Rs. in lacs	As at 31.03.2010 Rs. in lacs
SCHEDULE – “B”		
RESERVES AND SURPLUS		
Capital Reserve :		
As per last balance sheet	406.88	406.88
Capital Redemption Reserve :		
As per last Balance sheet	5.30	5.30
Share Premium :		
As per last balance sheet	9,440.70	9,440.70
Revaluation Reserve :		
As per last balance sheet	886.55	915.86
Less : Transferred to Profit and Loss Account	25.68	29.31
	860.87	886.55
General Reserve :		
As per last balance sheet	18,801.04	14,801.04
Add : Transfer from P&L account	4,000.00	4,000.00
	22,801.04	18,801.04
Profit and loss Account	2,074.65	4,004.33
TOTAL	35,589.44	33,544.80



Schedules

FORMING PART OF THE BALANCE SHEET

SCHEDULE – “C”

SECURED LOANS

Banks

Rupee Term loans	11,426.99	15,400.39
Foreign Currency Term Loan	7,431.67	8,979.98
Working Capital Loans	1,454.15	1,769.42
Long Term Working Capital Loan From Bank	2,500.00	—

Other Loans

Financial Institutions	10,204.87	5,123.12
Term Loans From NBFC	55.70	—

TOTAL

	As at 31.03.2011 Rs. in lacs	As at 31.03.2010 Rs. in lacs
SCHEDULE – “C”		
SECURED LOANS		
Banks		
Rupee Term loans	11,426.99	15,400.39
Foreign Currency Term Loan	7,431.67	8,979.98
Working Capital Loans	1,454.15	1,769.42
Long Term Working Capital Loan From Bank	2,500.00	—
Other Loans		
Financial Institutions	10,204.87	5,123.12
Term Loans From NBFC	55.70	—
TOTAL	33,073.38	31,272.91

Notes :

LOANS

Secured by

Banks

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

Term Loans and External Commercial Borrowings from Banks 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.

Institutions

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

Other loans

Term loan from NBFC are secured by creation of first pari-passu charge on all the movable fixed assets, both present and future by way of hypothecation.

SCHEDULE – “D”

UNSECURED LOANS

Others :

TOTAL

Due within one year Rs. NIL lacs (Previous Year Rs. NIL lacs)

	As at 31.03.2011 Rs. in lacs	As at 31.03.2010 Rs. in lacs
SCHEDULE – “D”		
UNSECURED LOANS		
Others :		
	—	—
TOTAL	—	—

Schedules
FORMING PART OF THE BALANCE SHEET



SCHEDULE – "E" (Consolidated)

FIXED ASSETS

Rs. in Lacs

DESCRIPTION OF ASSETS	GROSS BLOCK				At cost or Revaluation Book Value as at 31/3/2011	DEPRECIATION		NET BLOCK	
	At cost or Revaluation Book Value as at 1/4/2010	Additions and other transfers	Adjustments (refer Note below)	Sales and other deductions		Depreciation For The Year	Depreciation As at 31/3/2011	As at 31/3/2011	As at 31/3/2010
Land	500.99	54.79	—	24.10	531.68	—	—	531.68	500.99
Buildings	7,887.65	943.16	3.74	1.04	8,826.02	216.97	2,271.90	6,554.12	5,832.56
Plant and Machinery	89,888.92	4,008.25	47.44	5,616.07	88,233.66	4,375.09	35,824.56	52,409.10	56,861.01
Furniture & Fittings	814.51	79.37	—	5.41	888.47	48.48	618.54	269.93	240.23
Vehicles	1,315.23	276.19	—	47.75	1,543.66	115.24	622.70	920.96	776.64
TOTAL	100,407.29	5,361.74	51.17	5,694.39	100,023.49	4,755.79	39,337.70	60,685.79	64,211.45
Previous Year	100,643.34	1,544.51	1,163.99	616.56	100,407.29	4,892.71	36,195.85	64,211.45	68,948.88

Notes :

1. See Note "B-2 & 10" of Schedule "N".
2. Buildings include Rs. 523.06 lacs being cost of ownership flats and office accommodation in Co-operative Societies and a Limited Company against which the Company holds shares of the face value of Rs. 0.77 lacs in Co-operative Societies and the Limited Company.
3. 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.
4. Land, Building and Plant and Machinery located at Sahupuram Works (other than PVC Division) were revalued on 31.03.1993.
5. The Company exercised the option to purchase 793.39 acres of land leased by the State Government at Sahupuram works. Assignment deeds in respect of the said land are yet to be executed by the State Government in favour of the Company.



Schedules

FORMING PART OF THE BALANCE SHEET

SCHEDULE – “F”

INVESTMENTS (AT COST)

I. LONG TERM :

In Subsidiary Company – Non-Trade (Unquoted)

M/s. DCW Pigment Ltd.

10 50,000 5.00

10 49,500 4.95

In Govt & Trust Securities (Unquoted)

7 years National Savings Certificates

1000 10 0.10

1000 10 0.10

In other Companies – Non-Trade (Unquoted)

The Dhrangadhra Peoples Co-op Bank Ltd.

25 10 *250

25 10 *250

In other Companies – Non-Trade (Quoted)

Fully paid Equity Shares

Global Trust Bank Ltd.

10 19,000 1.90

10 19,000 1.90

LIC Housing Finance Ltd.

2 87,000 10.44

10 17,400 10.44

12.34

12.34

Less : Deminution of value in shares of
Global Trust Bank

19,000 1.90

19,000 1.90

10.44

10.44

II. CURRENT INVESTMENTS :

Fully paid Equity Shares

Tata Consultancy Services Ltd.

1 12 0.03

1 6 0.03

Reliance Industries Ltd.

10 3,504 16.82

10 3,504 16.82

(Previous year Reliance Petroleum Ltd.)

16.85

16.85

MUTUAL FUNDS

Principal Mutual Fund – Monthly Income
Plan – Dividend Pay out monthly

— — —

10 500,000 50.00

Less : Deminution of value in Principal
Mutual Fund

—

1.19

—

48.81

TOTAL

32.39

81.15

* Figures Denote Amount in Rupees

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
Aggregate Value of long term quoted investments	196.14	151.73
Aggregate Value of current quoted investments	<u>36.81</u>	<u>36.57</u>
TOTAL	232.95	188.30
Aggregate Value of unquoted investments	5.10	5.05
Market Value of quoted investments	232.95	189.48



Schedules

FORMING PART OF THE BALANCE SHEET

SCHEDULE – “F” (Contd..)

Investments Purchased & Redeemed / Sold during the year :

I. MUTUAL FUND UNITS :

	Face Value	No. of Units
1478 ICICI Prudential Ultra Short Term Premium Plus – Daily Dividend	10	9,232,229
1564 ICICI Prudential Liquid Super Institutional Plan – Daily Dividend	100	2,955,485
1524 ICICI Prudential Flexible Income Plan Premium – Daily Dividend	100	284,078
LIC Nomura MF Liquid Fund – Daily Dividend Plan	10	150,819,418
LIC Nomura MF Savings Plus Fund – Daily Dividend Plan	10	52,391,681
LIC Nomura MF Income Plus Fund – Daily Dividend	10	500,180
Cash Management Fund Dividend Reinvestment Daily	10	501,554
Principal Monthly Income Plan – Dividend Payout Monthly	10	450,625
SBI – Magnum Insta Cash Fund – Daily Dividend Option	10	298,534

SCHEDULE – “G”

INVENTORIES

(As Certified by the Management)
(Refer Note A-7 of Schedule ‘N’)

	As at 31.03.2011 Rs. in lacs	As at 31.03.2010 Rs. in lacs
Stores, Spare Parts, Fuel (Including in Transit)	4,880.60	5,867.88
Packing Materials (at or below cost)	63.20	72.86

STOCK-IN-TRADE

Raw materials on hand & in transit	5,321.70	6,036.45
Finished Goods	2,298.01	2,819.14
Stock in process	83.91	107.00
Packing Drums & Scrap	28.50	44.95
Coke dust,Gypsum	41.13	42.54
Shares (Refer Statement below)	8.58	8.58

TOTAL	12,725.63	14,999.40
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Schedules

FORMING PART OF THE BALANCE SHEET

Particulars	31 st March, 2011			31 st March, 2010	
	Face Value per Share/ Rs.	No. of Shares	Amount Rs. in Lacs	No. of Shares	Amount Rs. in Lacs
Investments in shares (Stock in Trade)					
Quoted					
Reliance Industries Ltd.	10	1,122	0.44	1,122	0.44
Reliance Communication Ltd.	5	553	—	553	—
Reliance Infrastructure Ltd. (Previous year Reliance Energy Ltd.)	10	41	—	41	—
Reliance Power Ltd. (Previous year Reliance Natural Resources Ltd. Face value of Rs. 5 each)	10	138	—	553	—
Reliance Capital Ltd.	10	27	—	27	—
Grasim Industries Ltd.	10	700	2.01	700	2.01
Ultratech Cements Ltd.	10	400	—	—	—
Ranbaxy Laboratories Ltd.	5	5,426	5.60	5,426	5.60
Reliance Industrial Infrastructure Ltd.	10	1,900	0.19	1,900	0.19
Indian Telephone Industries Ltd.	10	3,400	0.34	3,400	0.34
TOTAL			8.58		8.58

SCHEDULE – “H”

Sundry Debtors (Unsecured unless otherwise stated)

	As at 31.03.2011 Rs. in lacs	As at 31.03.2010 Rs. in lacs
a) Over 6 Months		
Considered good (Secured)	30.00	30.00
Considered good	539.84	699.31
Considered doubtful	266.12	276.47
b) Other Debts (considered good)	9,793.00	9,349.60
c) Claims against Insurance, Railways, Custom etc.	106.83	93.69
	10,735.79	10,449.07
Less : Provision for doubtful debts	266.12	276.47
TOTAL	10,469.67	10,172.60



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FORMING PART OF THE BALANCE SHEET

	As at 31.03.2011 Rs. in lacs	As at 31.03.2010 Rs. in lacs
SCHEDULE – “I”		
CASH AND BANK BALANCES		
1. Cash on hand	10.40	3.78
2. Cheques, Stamps, Hundi papers on hand	0.06	0.06
3. Balance with Scheduled Banks		
a. in Current Account	121.53	164.24
b. in Fixed Deposits (Pledged with Bank as Margin Money)	61.59	3.07
4. Post office Savings Deposit (Pass Book Pledged with Central Excise Department)	0.01	0.01
5. Balance with Dhrangadhra People’s Co-op. Bank Ltd. (Maximum amount outstanding Rs. 0.02 lacs)	0.02	0.02
TOTAL	193.61	171.18
SCHEDULE – “J”		
LOANS AND ADVANCES (Unsecured, Considered Good)		
Advances recoverable in cash or kind or for value to be received (Including advance for capital items)	1,860.07	1,218.90
Inter Corporate Deposits – Considered Good	—	0.10
Staff loans	75.36	60.18
Electricity and other Deposits	180.36	290.98
Balance with Customs, Central Excise etc.	5,359.33	4,082.73
	7,475.12	5,652.89
SCHEDULE – “K”		
LIABILITIES		
Acceptances against Letters of Credit	19,451.31	13,926.66
Dues of Micro & Small Enterprises	28.56	29.42
Sundry Creditors other than dues of Micro & Small Enterprises (Includes Liabilities for capital items Rs. 1036.77 Lacs)	4,529.47	8,312.58
Advances from customers and consignees	2,110.03	1,929.39
Trade and Other Deposits	414.64	502.17
Unclaimed Dividend #	55.83	47.13
Unclaimed Interest Public Deposit Monies #	0.04	0.04
Other Liabilities	691.14	583.61
Interest accrued but not due on Loans	183.92	172.52
TOTAL	27,464.94	25,503.52
# These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.		



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FORMING PART OF THE BALANCE SHEET

SCHEDULE – “L”

PROVISIONS

	As at 31.03.2011 Rs. in lacs	As at 31.03.2010 Rs. in lacs
Proposed Dividend – Equity	706.16	706.16
Tax on Dividend	114.56	120.01
Provision for Tax (net off Advance Tax and Tax Deducted at Source)	244.61	36.22
Provision for Retirement & Other Emp. Benefits	592.55	817.05
TOTAL	1,657.88	1,679.44

SCHEDULE – “M”

A. CONTINGENT LIABILITIES NOT PROVIDED FOR :

1 Disputed Sales Tax Demands	1,259.03	1,387.02
2 Disputed Excise Demands	299.99	326.01
3 Disputed Customs Demands	159.61	159.61
4 Disputed Income tax Demand (Paid Rs. 80 lacs against the demand and appeals pending before the appellate authority)	—	190.85
5 Company's contribution to ESI not made pursuant to petitions for exemption pending before High Court.	87.36	87.18
6 Lease Rent, Local Cess, Octroi, Interest on Octroi, Surcharge, Stamp Duty, Water and Electricity duty.	2,230.14	2,238.95
7 Disputed Industrial relations matters	445.90	417.09

B. Claims not acknowledged as debts :

	80.00	—
TOTAL	4,562.03	4,806.71

C. GUARANTEE AS A MEMBER OF THE ALKALI MFG. ASSN. (A Company Limited by Guarantee)

	Rs. 500	Rs. 500
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Schedules

FORMING PART OF THE BALANCE SHEET

SCHEDULE "N"

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.

A. SIGNIFICANT ACCOUNTING POLICIES

1. System of Accounting :

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

2. Use of Estimates :

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

3. Fixed Assets and Depreciation :

A) Fixed Assets

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

B) Depreciation and Amortisation

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

- a) On assets revalued at Sahupuram Unit on 31-3-93 @ 3% on the revalued cost based on revision in useful life estimated by the valuer (Refer Note B2).
- b) On fixed assets added pursuant to the amalgamation of Pantape Magnetics Limited with the Company, at rates specified in Schedule XIV to the Companies Act, 1956 on the revalued cost.
- c) On balance fixed assets of the company at rates specified in Schedule XIV to the Companies Act, 1956 on the original cost.
- d) On fixed assets added/disposed of during the year, on pro- rata basis with reference to the month of addition/disposal.
- e) On Technical Know-how fees at 33.33%

4. Revenue Recognition :

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

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

5. Expenditure during Construction and on on new projects :

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



Schedules

FORMING PART OF THE BALANCE SHEET

6. Investments :

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

7. Inventories :

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

8. Accounting for Cenvat and Service Tax Credits :

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

9. Foreign Currency Transactions :

- a) Transactions in Foreign Currency are recorded at the exchange rates prevailing on the date of Transactions.
- b) Monetary items denominated in foreign currencies (such as cash receivables, payables, etc.) outstanding at the year end, are translated at exchange rate applicable as of that date.
- c) Non-monetary items denominated in foreign currency (such as investments, fixed assets, etc.) are valued at the exchange rate prevailing on the date of transaction.
- d) Any gains or losses arising due to exchange differences at the time of translation or settlement are accounted in the Profit & Loss Account, except as indicated in Note B-10 below.
- e) Premium/discounts on forward exchange contracts are amortised over the life of the contract and recognised in the Profit and Loss account, exchange differences on such contracts are recognized in the profit and loss account in the reporting period in which the exchange rates change.

10. Research & Development Expenditure :

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

11. Borrowing Costs :

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

12. Employee Benefits :

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



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FORMING PART OF THE BALANCE SHEET

13. Provisions & Contingencies :

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

14. Taxes on Income :

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income tax Act, 1961. Deferred tax is recognised for all timing differences, subject to consideration of prudence, applying the tax rates that have been substantially enacted by the Balance Sheet date.

15. Impairment of Asset :

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

B. NOTES ON ACCOUNTS

1. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for is Rs. 16871.42 lacs (previous year Rs. 2675.04 lacs)
2. The depreciation charge on the assets revalued on 31-3-1993 is more by Rs. 23.57 lacs (previous year Rs. 23.54 lacs) than the depreciation charge thereon under section 205(2)(b) of the Companies Act, 1956 and the same is met by drawing from Revaluation Reserve. The uplift on revalued assets discarded amounting to Rs. 2.11 lacs (previous year Rs. 5.77 lacs) has also been met by drawing from Revaluation Reserve.
3. Consignment sales and expenses are incorporated on the basis of sale notes when received from consignees.
4. Confirmation of balances from some of the Debtors and Creditors, have not been received.
5. The break up of Deferred Tax Assets/ Liabilities are as under :

(Rs. in lacs)

Nature of timing difference	Deferred Tax Liability / (Asset) as at 1 st April, 2010	(Debit / Credit) for the year	Deferred Tax Liability / (Assets) as at 31 st March, 2011
(a) DEFERRED TAX LIABILITIES			
Depreciation	8,567.06	(755.59)	7,811.47
SUB-TOTAL	8,567.06	(755.59)	7,811.47
(b) DEFERRED TAX ASSETS			
Expenses allowed on payment basis	222.16	93.41	128.75
Unabsorbed depreciation	—	—	—
SUB – TOTAL	222.16	93.41	128.75
	8,344.90	(662.18)	7,682.72



Schedules

FORMING PART OF THE BALANCE SHEET

6. RELATED PARTY INFORMATION.

(i) Relationships :

(a) *Subsidiary Companies*

DCW Pigments Ltd.

(b) *Where control exists*

Double Dot Finance Ltd.

Crescent Finstock Ltd.

Sahu Brothers Pvt. Ltd.

Jain Sahu Brothers Pvt. Ltd.

Dhrangadhra Trading Company Pvt. Ltd.

Kishco Ltd.

Kalpataru Botanical Garden Pvt. Ltd.

Crescent Holdings & Enterprises Pvt. Ltd.

(c) *Key Management Personnel*

Dr. S. C. Jain	Chairman & Managing Director
Shri P. K. Jain	Managing Director
Shri Bakul Jain	Managing Director
Smt. Vandana Jain	Executive Director
Shri Vivek Jain	Sr. President
Shri Mudit Jain	President
Shri Ashish Jain	President
Smt. Paulomi Jain	President

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

ii) Disclosure of transactions between the group and related parties and the status of outstanding balances as on 31st March, 2011.

(Rs. In lacs)

Particulars	Enterprises where control exists	Key Management Personnel
Loans taken & repaid	—	—
Commission paid	—	—
Remuneration paid	—	416.26
Purchases	3.80	—
Balances as on 31 st March, 2011	(0.10)	—



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FORMING PART OF THE BALANCE SHEET

SEGMENT INFORMATION FOR THE YEAR 2010-2011

Rs. in lacs

	CAUSTIC	PVC	SODA ASH	OTHERS	TOTAL
SEGMENT REVENUE :					
External Revenue	42,450.70 (42,388.53)	46,941.81 (41,978.66)	16,860.37 (17,785.71)	1,125.89 (738.53)	107,378.79 (102,891.43)
Segment Result	2,824.29 (5,511.24)	1,339.09 (5,115.54)	1,378.90 (2,343.31)	1,061.57 (323.40)	6,603.84 (13,293.49)
<i>Add</i> : Unallocated Corporate Income	—	—	—	—	31.71 (22.89)
<i>Less</i> : Finance charges	—	—	—	—	3,046.72 (3,870.09)
Current Tax	—	—	—	—	1,360.00 (2,208.25)
Deffered Tax	—	—	—	—	(662.18) (475.00)
NET PROFIT	—	—	—	—	2,891.01 (6,763.04)
OTHER INFORMATION					
Segment Assets	67,301.23 (69,227.24)	11,731.72 (12,303.50)	18,820.05 (16,713.40)	11,497.49 (5,308.91)	109,350.48 (103,553.04)
<i>Add</i> :Unallocated Corporate Assets	—	—	—	—	40.97 (778.30)
TOTAL	67,301.23 (69,227.24)	11,731.72 (12,303.50)	18,820.05 (16,713.40)	11,497.53 (5,308.91)	109,391.45 (104,331.34)
Segment Liabilities	30,166.58 (35,011.68)	18,151.24 (16,851.68)	2,669.38 (2,777.02)	10,143.66 (2,956.73)	61,130.86 (57,597.12)
<i>Add</i> : Unallocated Corporate liabilities	—	—	—	—	8,748.05 (8,440.16)
TOTAL	30,166.58 (35,011.68)	18,151.24 (16,851.68)	2,669.38 (2,777.02)	10,143.66 (2,956.73)	69,878.91 (66,037.28)
Capital Expenditure	—	—	—	—	14,180.14 (3,874.28)
Depreciation	3,782.20 (3,698.48)	375.53 (353.42)	541.17 (536.26)	56.88 (304.55)	4,755.79 (4,892.70)



Schedules

FORMING PART OF THE BALANCE SHEET

7. Encroachers have occupied some portions of the land belonging to the Company at Sahupuram. Efforts are being made to evict them.
8. Sales Tax Assessments of Dhrangadhra Unit are pending from 1994-95, 1995-96, 1997-98 and 2004-05, 2005-06 and 2007-08 to 2009-10 (except for 1996-97, 1998-99 to 2003-04 and 2006-07 which have been completed). Central Sales Tax Assessments and Tamilnadu General Sales tax assessment of Sahupuram Unit are completed upto 2005-06 and 2006-07 respectively.
9. In respect of land on lease, the future obligations towards lease rentals under the lease agreements as on 31st March, 2011 amount to Rs. 74.11 lacs (previous year Rs. 92.95 lacs)
10. The company has opted for accounting foreign currency exchange difference on realignment of long term foreign currency loan related to acquisition of a depreciable capital asset, as per AS-11 amended by Companies (Accounting Standard) Amendment Rules 2009. Accordingly exchange difference of Rs. 51.17 lacs, (previous year Rs. 1164 lacs) relating to current year has been reduced from the cost of fixed assets and depreciation charged to the Profit and Loss Account.
11. The company has entered into option to hedge its exposure on US\$ Libor related to its external commercial borrowing aggregating to US\$ 20 Mn.
The year end foreign currency exposure that have not been hedged by derivative instrument or otherwise are given below :

(Rs.in lacs)

	31.3.2011	31.3.2010
Payables	19,451.31	10,505.26

12. Acceptances under current liabilities are disclosed after netting off fixed deposits for Rs. 1459.32 lacs, given as security to the Company's Bankers for issuing letter of credit. This does not understate the net current assets of the company.
13. In the matter of custom duty on imported calciner, the Hon'ble Gujarat High Court, has vide order dated 15th December, 2005, partly allowed company's civil application for refund of Rs. 41.48 lacs, to the extent of Rs. 17.50 lacs, that has since been received and denied claim for refund of balance Rs. 23.98 lacs on account of unjust enrichment. The Company has filed special leave petition before Hon'ble Supreme Court in this regard. The case is pending for hearing.
14. **Computation of net profits under section 349 of the Companies Act, 1956.**

(Rs.in lacs)

Particulars	Amount
Profit before tax as per Profit & Loss Account	3,588.83
Add : Wealth Tax paid	5.15
Managerial remuneration	247.88
Directors' sitting fees	1.43
Less : Profit on Sale of Windmills	1,100.81
Net profit U/S 349	2,742.48
10% thereof i.e. (2742.48 X 10/110)	249.32
Less : Managerial remuneration paid	213.31
Commission payable	36.01



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FORMING PART OF THE BALANCE SHEET

15. Based on Management's review of the Capital Expenditure on Carbonation Towers and Calcium Chloride plant at Soda Ash plant in 2004-05 & 2006-07 respectively and based on detailed study by technical experts, justifying additions and modifications, the same are being held as capital work in progress.
16. The Tamilnadu Government has passed fresh legislation imposing Electricity Tax on captive power generated with retrospective effect from 2003. The company along with other captive power producers has challenged the levy in the Madras High Court, which has admitted the writ-petition.
17. (a) Due to Micro & Small Enterprises include Rs. 10.17 lacs, outstanding for more than 30 days. This amount has been determined to the extent such parties have been identified from available information. This has been relied upon by the auditors.
- (b) The Mirco & Small Enterprises from whom amounts outstanding for more than 30 days are as under :-
1. Chetan Engineering Works.
 2. Virendra Vikram Enterprise.
 3. Tamilnadu Synthetic Packaging.
18. Due from a company in which Director(s) of the company is director is Rs. 5.64 Lacs (Previous year Rs. 5.64 lacs).
19. Disclosure pursuant to Accounting Standard – 15 (Revised) "Employee Benefits"
- a. Effective 1st April, 2007, the company has adopted accounting standard 15 (revised 2005) " Employee Benefits" issued by ICAI. The Company has classified the various benefits provided to employees as under:

b. Defined Contribution Plans :

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

	Rs. In Lacs
Provident Fund	246.45
Superannuation Fund	100.19
Employees Pension Scheme, 1995	127.44

The Rules of the Company's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared to 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. Accordingly for the current deficiency estimated at Rs. 28 lacs has been provided.

c. Defined Benefit Plans

		Gratuity Funded Rs. lacs	Leave Wages Non-Funded Rs. lacs
1.	Change in Benefit Obligation		
	Liability at the beginning of the year 1 st April, 2010	1,998.00	498.32
	Interest cost	159.84	39.87
	Current Service Cost	134.00	62.45
	Benefit Paid	(5.44)	(16.92)
	Actuarial (gain) / Loss on obligation	(374.04)	8.83
	Liability at the end of the year	1912.36	592.55



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FORMING PART OF THE BALANCE SHEET

		Gratuity Funded Rs. lacs	Leave Wages Non-Funded Rs. lacs
2.	Changes in the Fair Value of Plan Assets		
	a) Present Value of Plan Assets as at 1 st April, 2010	1799.19	—
	b) Expected Return on Plan Assets	143.94	—
	c) Actuarial (Gain)/Loss	24.93	—
	d) Employers' Contributions	—	—
	e) Benefits Paid	(5.44)	—
	f) Present Value of Planned Assets as at 31 st March, 2011	1962.62	—
3.	Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets		
	a) Present Value of Defined Benefit Obligation as at 31 st March, 2011	(1912.36)	(592.55)
	b) Fair Value of Plan Assets as at 31 st March, 2011	1962.62	—
	c) Net Liability recognized in the Balance Sheet as at 31 st March, 2011	—	(592.55)
	Expenses Recognized in the Profit and Loss Account		
	a) Service Cost	134.00	62.45
	b) Interest Cost	159.84	39.87
	c) Expected Return on Plan Assets	(143.94)	—
	d) Curtailment Cost/(Credit)	—	—
	e) Settlement Cost/(Credit)	—	—
	f) Net Actuarial (Gain)/Loss	(398.97)	8.83
	g) Total Expenses recognized in the Profit and Loss A/c	(249.07)	111.15
4.	Actual Return on Plan Assets		
5.	Estimated Contribution to be made in the next annual year		
7.	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, 2011		
	a) Govt. of India Securities	—	—
	b) Corporate Bonds	—	—
	c) Special Deposit Scheme	—	—
	d) Equity Shares of Listed Companies	—	—
	e) Property	—	—
	f) Insurance Managed Funds	1962.62	—
	g) Others	—	—
	h) Total	1962.62	—
8.	Actuarial Assumptions		
	Retirement age	58	58
	Discount rate	8%	8%
	Mortality	LIC (1994-96) Ultimate	
	Withdrawal rate	2%	—
	Salary escalation	4%	



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FORMING PART OF THE BALANCE SHEET

20. Earning per share (EPS) as per Accounting Standard – 20

	2010-11 Rs. Lacs	2009-10 Rs. Lacs
Profit after Tax	2,891.01	6,763.07
No. of Equity shares of Rs. 2 each as on 31.3.2011		
Basic	19,61,54,590	19,61,54,590
Diluted	19,61,54,590	19,61,54,590
EPS (Rs.)		
Basic	1.47	3.45
Diluted	1.47	3.45

21. Information required in terms of Part IV of Schedule VI of the Companies Act, 1956 is attached.

Schedule "A" to "N" form an integral part of the Balance Sheet and Schedule "1" to "6" form an integral part of the Profit and Loss Account.

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

Signature to Schedule "A" to "N"

As per our Report attached

For **V. Sankar Aiyar & Co.**
Chartered Accountants
S. Venkatraman
Partner

Place : Mumbai
Dated : 16th May, 2011

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director
Pramod Kumar Jain
Bakul Jain
Managing Directors

Vimal Jain
Sr. Vice President (Finance)

Sodhsal Singh Dev of Dhrangadhra
Dr. V. H. Joshi
R. V. Ruia
Directors



Schedule

FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE – “1”

SALES (less Rebates and Trade Discount but including excise duty)

	For the year ended 31.03.2011 Rs. in lacs	For the year ended 31.03.2010 Rs. in lacs
Direct Sale *	69,839.56	73,949.80
Consignment Sales	28,873.03	25,468.44
Export Sales #	15,333.93	9,691.78
Other Sales *	515.41	465.59
TOTAL	114,561.93	109,575.61

* Includes Sale of Traded Goods Rs. 93.84 Lacs. (Previous Year Rs. 16.59 lacs)

Includes exchange fluctuation (Loss) / Gain of Rs. 14.92 Lacs. (Previous Year Rs. (285.53) Lacs)

SCHEDULE – “2”

OTHER INCOME :

Profit on Sale of Fixed Assets	1,105.83	0.40
Unclaimed balance written back	9.96	12.16
Dividend received on current Investments	28.47	20.28
Dividend received on Long Term Investments	3.23	2.61
Bad Debts Recovered	10.34	—
Gain on Foreign Exchange Transactions (Net)	23.51	—
Miscellaneous Income	463.73	198.57
TOTAL	1,645.07	234.02



Schedule

FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE – “3”

MANUFACTURING AND OTHER EXPENSES

- 1. Consumption of Materials :** Raw Materials
 Stock in hand and in process as at opening
Add : Purchases *
Less : Closing stock in hand & in process
 (including taxes duties etc.)

TOTAL

* Includes Exchange fluctuation Loss / Gain of Rs. (405.91) Lacs
 Previous year (1238.19) Lacs

- 2. a. Increase / Decrease in Stock :**

Closing Stock :

- Manufactured Products
 Stock in process
 Packing Drums and Scrap
 Coke Dust & Gypsum
 Stock of Traded Shares

Opening Stock :

- Manufactured Products
 Stock in process
 Packing Drums and Scrap
 Coke Dust & Gypsum
 Stock of Traded Shares

Opening Stock – Closing Stock

- Closing Stock Excise Duty
 Opening Stock in Excise Duty

- b. Purchases for resale (Net of stock of traded goods capitalised/written off)

Sub-Total

- 3. Salaries, Wages & benefits to employees :**

- Salaries Wages
 Contribution to Provident and other Funds
 Employees' Welfare

TOTAL

- 4. Power and Fuel**

	For the year ended 31.03.2011 Rs. in lacs	For the year ended 31.03.2010 Rs. in lacs
SCHEDULE – “3”		
MANUFACTURING AND OTHER EXPENSES		
1. Consumption of Materials : Raw Materials		
Stock in hand and in process as at opening	6,036.45	5,038.07
Add : Purchases *	69,164.31	55,300.15
Less : Closing stock in hand & in process (including taxes duties etc.)	5,321.70	6,036.45
TOTAL	69,879.06	54,301.77
* Includes Exchange fluctuation Loss / Gain of Rs. (405.91) Lacs Previous year (1238.19) Lacs		
2. a. Increase / Decrease in Stock :		
Closing Stock :		
Manufactured Products	2,090.22	2,602.47
Stock in process	83.91	107.00
Packing Drums and Scrap	28.50	44.95
Coke Dust & Gypsum	41.12	42.54
Stock of Traded Shares	8.58	8.58
	2,252.33	2,805.54
Opening Stock :		
Manufactured Products	2,602.47	2,787.53
Stock in process	107.00	117.62
Packing Drums and Scrap	44.95	45.96
Coke Dust & Gypsum	42.54	44.07
Stock of Traded Shares	8.58	8.58
	2,805.54	3,003.76
Opening Stock – Closing Stock	553.21	198.22
Closing Stock Excise Duty	207.79	216.67
Opening Stock in Excise Duty	216.67	333.06
	8.88	116.39
b. Purchases for resale (Net of stock of traded goods capitalised/written off)	93.84	16.59
Sub-Total	655.93	331.20
3. Salaries, Wages & benefits to employees :		
Salaries Wages	4,238.63	4,128.19
Contribution to Provident and other Funds	310.77	486.97
Employees' Welfare	439.74	424.77
TOTAL	4,989.14	5,039.93
4. Power and Fuel	8,707.59	12,096.81



Schedule

FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE – “3” (Contd...)

5. Operation and Maintenance

Repairs and Maintenance – Buildings	475.85	395.39
Repairs and Maintenance – Plant & Machinery	3,523.65	3,383.71
Repairs and Maintenance – Other Assets	191.76	253.12
Packing Charges	1,792.94	1,738.52
Other Operation & Maintenance Expenses	1,367.24	1,962.29

7,351.44

7,733.03

6. Assets Sold or Written off

Fixed Assets discarded, obsolete, written off	43.01	120.72
Less : Drawn from Revaluation Reserve	(2.10)	—

40.91

120.72

Loss on Sale of Fixed Assets (Unserviceable etc. written off)	22.10	49.18
--	-------	-------

63.01

169.90

7. Administration Expenses

Rent	46.58	47.17
Rates, Taxes and licence fees	132.91	168.47
Insurance	240.04	277.09
Investments Written off	—	1.19
Wealth tax paid	5.15	4.55
Donation	4.61	42.46
Other expenses	1,304.12	1,247.22

1,733.41

1,788.15

8. Selling and Distribution

Freight, Transportation, Loading and Other Charges (Net)	1,588.40	1,320.39
Commission to wholesalers/others	575.85	602.80
Cash discount	237.21	381.16
Octroi – Consignment Sale	3.07	2.13

2,404.53

2,306.48

9. a. Payment to Auditors

i. Audit Fees	6.50	6.00
ii. Tax Audit	1.63	1.50
iii. Representation in tax matters	—	0.40
iv. Retainer fees	3.60	3.60
v. Other Services	2.15	1.80
vi. Reimbursement of Expenses	2.46	3.43

16.34

16.73



Schedule

FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	For the year ended 31.03.2011 Rs. in lacs	For the year ended 31.03.2010 Rs. in lacs
SCHEDULE – “3” (Contd...)		
b. Details of Directors’ Remuneration under Section 198		
i. Managing Director’s and Whole time Directors’ Remuneration :		
Salary	144.00	144.00
Perquisites on House	9.60	9.60
Gas, Electricity expenses	8.07	10.05
Company’s Contribution to PF	12.96	12.96
Leave Travel Concession	5.39	6.20
Medical Expenses	11.73	8.93
Company’s Contribution to Superannuation	16.20	16.20
Commission	36.00	711.72
ii. Directors Sitting Fees	1.43	1.58
	245.38	921.24
Less : Amount Capitalised	26.66	—
	218.72	921.24
GRAND TOTAL	96,019.16	84,705.24
SCHEDULE – “4”		
INTEREST AND FINANCE CHARGES		
Fixed loans	2,373.70	3,198.24
Interest Others	178.65	109.93
Interest on Long Term Working Capital	77.81	—
Bank Charges	368.28	384.53
Exchange Loss on Forward Cover	189.58	206.00
	3,188.02	3,898.70
Less : Interest from banks & others	(141.30)	(28.61)
TDS Rs. 3.96 Lacs (Previous Year Rs. 6.34 lacs)		
TOTAL	3,046.72	3,870.09
SCHEDULE – “5”		
DEPRECIATION		
Depreciation on Fixed Assets for the year	4,779.36	4,916.25
Less : Drawn from Revaluation Reserve	23.57	23.54
TOTAL	4,755.79	4,892.71

As per our Report attached

For **V. Sankar Aiyar & Co.**
Chartered Accountants
S. Venkatraman
Partner

Place : Mumbai
Dated : 16th May, 2011

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director
Pramod Kumar Jain
Bakul Jain
Managing Directors

Vimal Jain
Sr. Vice President (Finance)

Sodhsal Singh Dev of Dhrangadhra
Dr. V. H. Joshi
R. V. Ruia
Directors



Schedule

FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE "6"

(a) Quantitative information with regard to each class of goods manufactured/traded (as certified by Chairman & Managing Director)

PARTICULARS	CAPACITY - MT		OPENING STOCK		PRODUC- TION	SELF CONSUMP- TION	CLOSING STOCK		SALES	
	Licensed	Installed	Quantity MT	Value Rs. In lacs	Quantity MT	Quantity MT	Quantity MT	Value Rs. In lacs	Quantity MT	Value Rs. In lacs
DHARANGADHRA UNIT										
Soda Ash	96,000	96,000	1,462	162	83,621	12,125	300	39	72,658	10,450
	(96,000)	(96,000)	(6,236)	(737)	(85,740)	(10,329)	(1,462)	(162)	(80,186)	(11,052)
Soda Bicarbonate	12,000	12,000	231	30	20,340	-	933	134	19,638	2,999
	(12,000)	(12,000)	(2,925)	(387)	(21,047)	-	(231)	(30)	(23,741)	(3,384)
Amonium Bicarbonate	5,000	-	18	2	612	-	21	3	609	87
	(5,000)	-	(9)	(1)	(722)	-	(18)	(2)	(713)	(93)
Detergent - Green	-	-	37	5	17,174	-	404	52	16,807	2,583
	-	-	-	-	(12,623)	-	(37)	(5)	(12,586)	(1,960)
Detergent - Active	-	-	108	15	14,675	-	120	18	14,662	2,575
	-	-	(380)	(59)	(16,863)	-	(108)	(15)	(17,135)	(2,696)
SAHUPURAM UNIT										
Caustic Soda Lye	100,000	100,000	2,963	478	81,684	22,771	843	124	61,033	9,694
	(100,000)	(100,000)	(2,692)	(591)	(77,612)	(27,999)	(2,963)	(478)	(49,342)	(10,854)
Caustic Soda Solid	-	-	1	-	123	-	7	1	117	26
	-	-	(6)	(1)	(155)	-	(1)	0	(160)	(40)
Caustic Soda Flakes	-	-	453	80	20,265	115	554	103	20,049	3,599
	-	-	(638)	(154)	(25,910)	(158)	(453)	(80)	(25,937)	(5,295)
Sodium Hypochlorine	-	-	-	-	2,769	5	-	-	2,764	110
	-	-	-	-	(4,030)	(18)	-	-	(4,012)	(141)
Hydrochloric Acid 100%	90,000	66,000	43	-	51,803	42,966	58	10	8,822	869
	(90,000)	(66,000)	(187)	(2)	(50,156)	(37,823)	(43)	0	(12,477)	(208)
Liquid Chlorine	36,000	36,000	46	1	20,748	10,308	66	5	10,420	776
	(36,000)	(36,000)	(151)	(1)	(18,963)	(7,117)	(46)	(1)	(11,951)	(303)
Trichloroethylene	7,200	7,200	174	75	7,006	-	98	51	7,082	5,202
	(7,200)	(7,200)	(273)	(135)	(4,715)	-	(174)	(75)	(4,814)	(2,716)
Upgraded Ilmenite	72,000	48,000	3,535	795	45,046	-	1,799	544	46,782	14,309
	(72,000)	(48,000)	(422)	(109)	(36,384)	-	(3,535)	(795)	(33,271)	(10,356)
Utox	No Licence Required	600	893	171	1,683	6	778	184	1,792	601
		(600)	(830)	(175)	(1,612)	(5)	(893)	(171)	(1,544)	(477)
Ferrie Chloride	-	10,000	179	2	3,925	-	259	4	3,845	193
	-	(10,000)	(77)	(1)	(3,005)	-	(179)	(2)	(2,903)	(148)
Yellow Iron oxide	-	-	19	7	334	-	12	5	341	133
	-	-	(65)	(23)	(297)	-	(19)	(7)	(343)	(152)
PVC Resin	90,000	90,000	2,046	971	89,943	-	1,832	996	90,157	51,742
	(90,000)	(90,000)	(1,598)	(700)	(85,758)	-	(2,046)	(971)	(85,310)	(45,661)
Caustic Soda Lye (Traded Goods)	-	-	-	-	-	-	-	-	-	-
Barium Carbonate (Traded Goods)	-	-	-	-	-	-	-	-	611	94
	-	-	-	-	-	-	-	-	(105)	(15)
Liquid Chlorine (Traded Goods)	-	-	-	-	-	-	-	-	55	2
	-	-	-	-	-	-	-	-	(31)	(1)
Misc. Sales	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
TOTAL										105,950 (95,537)

- Note:**
- Licensed capacity is not applicable in view of the company's products having been delicensed as per the new liberalised licensing policy announced by the Government of India.
 - Ammonium Bicarbonate production is out of part of Soda ash plant.
 - Self consumption quantity mentioned includes quantity lost in handling, lost in transit, wash loss, samples, etc.
 - Previous year figures are given in bracket.
 - Lye sales quantity excludes 197.00 MT being excess as per survey.



Schedule
FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE "6" (Contd.) Consolidated

	Rs. in lacs
b) Expenditure in Foreign Currency	
i) Know-how fees	-
	-
ii) Consultant fees	20.18
	(124.93)
iii) Others	799.90
	(682.61)
c) Earnings in Foreign Exchange	-
i) Export on f.o.b. basis	15,068.80
	(9,437.03)
ii) Others	14.27
	(13.30)
d) Consumption of imported/indigeneous Raw Materials, Stores and Spares at Landed Cost	
Raw Material Imported	59,313.54
	(42,639.62)
Indigeneous	10,565.52
	(11,662.14)
Stores and Spare parts (Including Consumption for Capital jobs)	
Imported	378.00
	(232.85)
Indigeneous	5,604.90
	(5,062.65)
Mercury	
Imported	-
	(-)
Indigenous	-
	(-)
e) Value of Imports on c.i.f. basis	
i) Raw Materials	50,869.74
	(44,090.18)
ii) Fuel Oil	-
	(-)
ii) Mercury	-
	(-)
iii) Stores and Spare parts	128.87
	(427.38)
iv) Capital Goods	264.66
	(152.83)
f) Amount remitted in Foreign Currencies on account of Dividend	-
	(-)



Schedule

FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE "6" (Contd.)

g) Raw Materials consumed:

	TOTAL Quantity (M.T)	Value Rs. in lacs
Salt	376,266 (346,900)	1,405.22 (1,626.64)
Ilmenite Sand	36,943 (74,527)	5,329.34 (3,733.32)
Calcium Carbide	5,404 (3,653)	1,919.65 (1,164.39)
Vinyl Chloride Monomer	91,630 (86,834)	38,695.09 (30,488.11)
Lauryl Peroxide	- (18)	43.45 (65.58)
Limestone	179,960 (152,402)	1,338.88 (1,070.86)
Coke	12,949 (16,393)	1,568.65 (1,898.34)
Coal	261,823 (219,194)	15,601.68 (10,775.35)
Ammonia	992 (1,220)	176.81 (190.20)
Charcoal	-	11.05 -
Others	-	3,865.67 (3,344.27)
Consumption of own manufactured products and Intermediates	-	(76.43) (-55.30)
TOTAL		69,879.06 (54,301.76)

As per our Report attached

For **V. Sankar Aiyar & Co.**
Chartered Accountants
S. Venkatraman
Partner

Place : Mumbai
Dated : 16th May, 2011

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director
Pramod Kumar Jain
Bakul Jain
Managing Directors

Vimal Jain
Sr. Vice President (Finance)

Sodhsal Singh Dev of Dhrangadhra
Dr. V. H. Joshi
R. V. Ruia
Directors



**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. REGISTRATION DETAILS

Registration No. 7 4 8 State Code 0 4

Balance Sheet 3 1 0 3 2 0 1 1

Date Month Year

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue N I L Bonus Issue N I L

Rights Issue N I L Private Placement N I L

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities 8 0 2 6 8 6 3 Total Assets 8 0 2 6 8 6 3

SOURCES OF FUNDS

Paid-up Capital 3 9 2 3 0 9 Reserves and Surplus 3 5 5 8 9 4 4

Secured Loans 3 3 0 7 3 3 8 Unsecured Loans N I L

Deferred Tax Liabilities 7 6 8 2 7 2

APPLICATION OF FUNDS

Net Fixed Assets 7 8 4 9 5 0 3 Investments 3 2 3 9

Net Current Assets 1 7 4 1 2 1 Misc. Expenditure N I L

Accumulated Losses N I L Project Expenditure N I L

IV. PERFORMANCE OF THE COMPANY (AMOUNT RS. IN THOUSANDS)

Turnover Net 1 1 4 5 6 1 9 3 Total Expenditure 1 0 3 8 2 1 6 7

+ Profit / Loss Before Tax 3 5 8 8 8 3 + Profit / Loss After Tax 2 8 9 1 0 1

Earning Per Share in Rs. 1 . 4 7 Dividend Rate % 1 8

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (AS PER MONETARY TERM)

a) Item Code No. (ITC Code)	Product Description
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 3 9 0 0 4 2 1 0 2	<input type="text"/> POLY VINYL CHLORIDE BY SUSPENSION
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 2 8 1 5 1 1 0 1	<input type="text"/> CAUSTIC SODA
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 2 8 3 6 2 0 0 9	<input type="text"/> SODA ASH

As per our Report attached

For **V. Sankar Aiyar & Co.**
Chartered Accountants
S. Venkatraman
Partner

Place : Mumbai
Dated : 16th May, 2011

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director
Pramod Kumar Jain
Bakul Jain
Managing Directors

Vimal Jain
Sr. Vice President (Finance)

Sodhsal Singh Dev of Dhrangadhra
Dr. V. H. Joshi
R. V. Ruia
Directors



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

1. Name of Subsidiary	DCW Pigments Limited
2. Financial year ended	31 st March, 2011
3. Holding Company's Interest: Equity Capital: Number of Shares of Rs. 10/- each Extent of Holding	50,000 100%
4. The net aggregate of Profit/(Loss) of the Subsidiary Company in so far as it concerns the members of the Holding Company :	
(a) Not dealt with in the accounts of the Company for the year ended 31 st March, 2011:	
(1) For the Subsidiary's financial year ended as in 2 above	—
(2) For the previous financial years of the Subsidiary	—
(b) Dealt with in the accounts of the Company for the year ended 31 st March, 2011 :	
(1) For the Subsidiary's financial year ended as in 2 above	—
(2) For the previous financial years of the Subsidiary	—

As per our Report attached

For **V. Sankar Aiyar & Co.**
Chartered Accountants
S. Venkatraman
Partner

Place : Mumbai
Dated : 16th May, 2011

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director
Pramod Kumar Jain
Bakul Jain
Managing Directors

Vimal Jain
Sr. Vice President (Finance)

Sodhsal Singh Dev of Dhrangadhra
Dr. V. H. Joshi
R. V. Ruia
Directors

DCW Pigments Ltd.

Directors' Report

TO THE SHAREHOLDERS

Your Directors present the 4th Annual Report of your Company together with the Audited Accounts for the year ended 31.03.2011.

Operations

The Company has not yet commenced its operations.

Directors

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

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

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

Particular of Employees.

During the year, no employee received remuneration in excess of the limits prescribed under section

217(2A) of the Companies Act, 1956 and the Rules made thereunder.

Directors' Responsibility Statement

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

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

and other irregularities to the best of their knowledge and ability;

4. prepared the annual accounts on a going concern basis.

Auditors

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

For and on behalf of the Board

Bakul Jain
Chairman

Place : Mumbai
Date : 10th May, 2011

Registered Office:

358, Anna Salai, Thousand Lights,
Chennai - 600 006,
Tamil Nadu.

Auditor's Report

To,
The Members,
DCW Pigments Ltd,
Mumbai

- 1) We have audited the attached Balance Sheet of M/s. DCW Pigments Ltd. As at 31st March 2011, annexed thereto, These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis for our opinion.
- 3) Since the Company has not commenced operations, we do not have any comments as required by the Companies

(Auditors Report) Order 2003 issued by the Department of Company Affairs in terms of section 227 (4A) of the Companies Act, 1956 and read together with the Companies (Auditor's Report) Amendment Order, 2004.

- 4) For the above :
 - (i) We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examinations of such books.
 - (iii) The Balance sheet dealt with by this Report is in agreement with the Company's books of account.
 - (iv) In our Opinion, the Balance Sheet dealt with by this Report complies with the Accounting Standards referred to in subsection (3C) of section 211 of The Companies Act, 1956.
 - (v) On the basis of written representations, received from the Directors and taken on record by the Board of Directors, we report that none of the Directors disqualified as on March 31st 2011, from

being appointed as a Director in terms of Clause (g) of sub section (1) of Section 274 of The Companies Act, 1956.

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet read together with the notes there on give information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - (ii) Since the Company has not commenced activity, Profit and Loss Account is not prepared.

For R A V & Co
Chartered Accountants
Firm Reg.No. 007532S

Ashok R. Shetty
Partner
M.No. 102524

Place : Mumbai
Date : 10th May, 2011

DCW Pigments Ltd.

Balance Sheet AS AT 31ST MARCH, 2011

Previous Year Rs.	Liabilities	As At 31.3.2011 Rs.	Previous Year Rs.	Assets	As At 31.3.2011 Rs.
1,000,000	SHARE CAPITAL Authorised 100000 Equity Shares of Rs. 10/- each	1,000,000	438,743	Current A/c with Punjab National Bank, Mumbai	434,234
500,000	Issued and Paid-up 50000 Equity Shares of Rs. 10/- each	500,000	66,772	Miscellaneous Expenses not written off (Preliminary and Pre-operative)	76,796
5,515	SUNDRY CREDITORS Liabilities for Expenses	11,030			
505,515	TOTAL	511,030	505,515	TOTAL	511,030

NOTES FORMING PART OF ACCOUNTS

1. The Company is yet to commence its manufacturing operations.
2. Previous Year figures were regrouped wherever necessary.
3. Pending allocation of Preliminary & Pre-operative expenses like Filing Fees, Registration charges, Stamp duty etc., carried to Balance Sheet.

As per our Report attached

For **RAV & CO.**
Chartered Accountants

Ashok R. Shetty
Partner

Place : Mumbai
Dated : 10th May, 2011

For and on behalf of the Board

Bakul Jain
Chairman

Dr. Shashi Chand Jain
Director



Consolidated Accounts Auditors' Report

AUDITOR'S REPORT TO THE SHAREHOLDERS OF DCW LIMITED

We have audited the attached consolidated balance sheet of DCW Limited (the "Company") and its subsidiary DCW Pigments Limited as at 31st March, 2011, consolidated profit and loss account for the year ended on that date and also the consolidated cash flow statement for the year ended on the date annexed thereto (hereinafter collectively referred to as the consolidated financial statements'). These consolidated financial statements are the responsibility of the Group's management and have been prepared by the management on the basis of separate financial statements of the entities of the group. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis evidence supporting the

amounts and disclosures in the consolidated financial statements, An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of DCW Pigments Ltd., the subsidiary whose financial statements reflect total assets of Rs. 5 lacs as at 31st March 2011, total revenue of Rs. Nil and cash flows amounting to Rs.5 lacs for the year then ended as considered in the consolidated financial statements. These financial statements and other financial information have been audited by the other auditors whose reports have been furnished to us and our opinion in respect thereof is based solely on the report of such other auditors.

We report that the consolidated financial statements have been prepared by the Group's management in accordance with the requirements of Accounting Standard 21 issued by the Institute of Chartered Accountants of India.

Based on our audit and consideration of reports of other auditors on separate financial statements of the entity and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India; in case of :

- a) The consolidated balance sheet, of the state of affairs of the Group as at 31st March, 2011;
 - b) The consolidated profit and loss account, of the profit of the year ended on that date;
- and
- c) The consolidated cash flow statement, of the cash flows for the year ended on that date.

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

S.Venkatraman
Partner
Membership No 34319

Place : Mumbai
Dated : 16th May, 2011



Consolidated Balance Sheet

AS AT 31ST MARCH, 2011

	Schedule	As at 31.03.2011 Rs. in lacs	As at 31.03.2010 Rs. in lacs
SOURCES OF FUNDS			
Shareholders' Funds :			
Capital	A	3,923.09	3,923.14
Reserves and Surplus	B	35,589.44	33,544.80
Loan Funds :			
Secured Loans	C	33,073.38	31,272.91
Unsecured Loans	D	—	—
Deferred tax liability (Net) (Refer Note B - 5 of Schedule – N)		7,682.72	8,344.90
		40,756.10	39,617.81
TOTAL		80,268.63	77,085.75
APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	E	1,00,023.47	1,00,407.30
Less : Depreciation		39,337.67	36,195.86
		60,685.80	64,211.44
Capital Work-in-progress		17,809.22	8,980.00
		78,495.02	73,191.44
Investments	F	27.39	76.21
Current Assets, Loans and Advances			
Inventories	G	12,725.63	14,999.40
Sundry Debtors	H	10,469.67	10,172.60
Cash and Bank Balances	I	197.95	175.57
Loans and Advances	J	7,475.12	5,652.89
		30,868.37	31,000.46
Less : Current Liabilities and Provisions			
Liabilities	K	27,465.05	25,503.58
Provision	L	1,657.88	1,679.44
		29,122.92	27,183.02
Net Current Assets		1,745.45	3,817.44
Misc. Expenses not written off		0.77	0.67
Contingent Liabilities not provided for Significant Accounting Policies and Notes forming part of Balance Sheet and Profit and Loss Account			
	M		
	N		
TOTAL		80,268.63	77,085.75

As per our Report attached

For **V. Sankar Aiyar & Co.**
Chartered Accountants
S. Venkatraman
Partner

Place : Mumbai
Dated : 16th May, 2011

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director
Pramod Kumar Jain
Bakul Jain
Managing Directors

Vimal Jain
Sr. Vice President (Finance)

Sodhsal Singh Dev of Dhrangadhra
Dr. V. H. Joshi
R. V. Ruia
Directors



Consolidated Profit and Loss Account
FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	For the year ended 31.03.2011 Rs. in lacs	For the year ended 31.03.2010 Rs. in lacs
INCOME			
Sales	1	114,561.93	109,575.61
Less : Excise Duty		(8,796.50)	(6,895.30)
Net Sales		105,765.43	102,680.31
Other Income	2	1,645.07	234.02
		107,410.50	102,914.33
EXPENDITURE			
Manufacturing and Other expenses	3	96,019.16	84,705.24
Interest & Finance Charges (Net)	4	3,046.72	3,870.09
		99,065.88	88,575.33
Depreciation	5	4,755.79	4,892.71
		103,821.67	93,468.04
Profit before tax		3,588.83	9,446.29
Current Tax		1,360.00	1,725.00
MAT Credit Available for set off		—	638.25
Excess Provision of Income Tax Written Back		—	(155.00)
Profit after Current Tax & Tax Adjustments		2,228.83	7,238.04
Deferred Tax (Refer Note B - 5 of Schedule N)		(662.18)	475.00
Profit after Deferred tax		2,891.01	6,763.04
Add : Surplus brought forward from last year		4,004.36	2,067.46
Available for appropriation		6,895.37	8,830.50
APPROPRIATION			
Transfer to General Reserve		4,000.00	4,000.00
Proposed Dividend on Equity Shares		706.16	706.16
Tax on Dividend		114.56	120.01
		4,820.72	4,826.17
Profit Carried forward		2,074.65	4,004.33
Notes to Profit & Loss Account	6		
Earning per share (Face value of Rs. 2/-)			
Basic earning per share		1.47	3.45
Diluted earning per share		1.47	3.45

As per our Report attached

For **V. Sankar Aiyar & Co.**
Chartered Accountants
S. Venkatraman
Partner

Place : Mumbai
Dated : 16th May, 2011

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director
Pramod Kumar Jain
Bakul Jain
Managing Directors

Sodhsal Singh Dev of Dhrangadhra
Dr. V. H. Joshi
R. V. Ruia
Directors

Vimal Jain
Sr. Vice President (Finance)



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

	2010-11 Rs. in Lacs	2009-10 Rs. in Lacs
A. Cash flow from operating Activities		
Net profit before tax and extraordinary items	3,588.87	9,446.32
Adjustments for :		
Non-cash items	(1,042.82)	169.50
Depreciation	4,755.79	4,892.71
Unrealised foreign exchange loss/ (gain)	27.07	(246.89)
Interest (net)	3,046.70	3,870.09
Dividend income	(31.70)	(22.89)
Operating profit before working capital changes	10,343.91	18,108.84
Adjustments for :		
Trade and other receivables	(2,338.15)	(1,535.24)
Inventories	2,273.79	(3,151.57)
Current liabilities and provisions	1,917.34	6,704.63
Cash generation from operations	12,196.89	20,126.66
Direct taxes paid	(1,151.61)	(1,692.04)
Cash flow before Extraordinary items	11,045.28	18,434.62
Extraordinary items	—	—
Net cash flow from operating Activities	11,045.28	18,434.62
B. Cash flow from Investing Activities		
Purchase of fixed Assets	(14,180.14)	(3,874.33)
Sale of Fixed Assets	5,086.71	26.45
Purchase / Sales of Investments	48.76	(48.81)
Preliminary Expenses incurred	(0.10)	(0.08)
Dividend Income	31.70	22.89
Interest income	—	28.61
Net cash used in investing Activities	(9,013.07)	(3,845.27)
C. Cash from financing activities		
Proceeds from issue of share capital	—	—
Repayment of Borrowings	(7,316.56)	(10,480.97)
Proceeds from Borrowings	9,168.20	410.00
Interest paid	(3,035.30)	(3,813.62)
Dividend paid	(706.16)	(588.46)
Tax on dividend	(120.01)	(100.01)
Net cash used in financing Activities	(2,009.83)	(14,573.06)
Net increase in Cash and Cash equivalents	22.38	16.29
Cash & Cash Equivalents as at 1st April, 2010	175.57	159.28
Cash & Cash Equivalents as at 31st March, 2011	197.95	175.57
	22.38	16.29

Previous year figures have been regrouped to match with current year figures.

As per our Report attached

For **V. Sankar Aiyar & Co.**
Chartered Accountants
S. Venkatraman
Partner

Place : Mumbai
Dated : 16th May, 2011

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director
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Vimal Jain
Sr. Vice President (Finance)

Sodhsal Singh Dev of Dhrangadhra
Dr. V. H. Joshi
R. V. Ruia
Directors



Schedules

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31.03.2011 Rs. in lacs	As at 31.03.2010 Rs. in lacs
SCHEDULE – “A”		
SHARE CAPITAL		
Authorised Capital :		
32,50,00,000 Equity Shares of Rs. 2/- each (Previous Year 32,50,00,000 Equity Shares @ Rs. 2 each)	6,500.00	6,500.00
1,00,000 Equity Shares of Rs. 10/- each	10.00	10.00
TOTAL	6,510.00	6,510.00
Issued, subscribed and paid-up capital :		
19,61,54,590 Equity Shares of Rs. 2/- each (Previous Year 19,61,54,590 shares @ Rs. 2/- each)	3,923.09	3,923.14
TOTAL	3,923.09	3,923.14
SCHEDULE – “B”		
RESERVES AND SURPLUS		
Capital Reserve :		
As per last balance sheet	406.88	406.88
Add. : Transfer from Contribution for Capital Expenditure	—	—
	406.88	406.88
Capital Redemption Reserve		
As per last Balance sheet	5.30	5.30
Share Premium		
As per last balance sheet	9,440.70	9,440.70
Revaluation Reserve :		
As per last balance sheet	886.55	915.86
Less : Transferred to Profit and Loss Account	25.68	29.31
	860.87	886.55
General Reserve :		
As per last balance sheet	18,801.04	14,801.04
Add. : Transfer from P&L account	4,000.00	4,000.00
	22,801.04	18,801.04
CONTRIBUTION FOR CAPITAL EXPENDITURE		
As per last balance sheet		
Less : Transfer to Capital Reserve Profit and loss Account	2,074.65	4,004.33
TOTAL	35,589.44	33,544.80



Schedules

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31.03.2011 Rs. in lacs	As at 31.03.2010 Rs. in lacs
SCHEDULE – “C”		
SECURED LOANS		
Banks		
Term loans	11,426.99	15,400.39
Foreign Currency Term Loan	7,431.67	8,979.98
Working Capital Loans	1,454.15	1,769.42
Long Term Working Capital Loans from Bank	2,500.00	—
Other Loans		
Financial Institutions	10,204.87	5,123.12
Term Loans From NBFC	55.70	—
TOTAL	33,073.38	31,272.91
SCHEDULE – “D”		
UNSECURED LOANS		
Short Term Loans – Banks	—	—
OTHERS :		
Deferred Sales Tax Credit	—	—
TOTAL	—	—
Due within one year Rs. NIL lacs (Previous Year Rs. NIL lacs)		

Schedules

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE – "E" (Consolidated)

FIXED ASSETS

Rs. in Lacs

DESCRIPTION OF ASSETS	GROSS BLOCK				At cost or Revaluation Book Value as at 31/3/2011	DEPRECIATION		NET BLOCK	
	At cost or Revaluation Book Value as at 1/4/2010	Additions and other transfers	Adjustments (refer Note)	Sales and other deductions		Depreciation For The Year	Depreciation As at 31/3/2011	As at 31/3/2011	As at 31/3/2010
Land	500.99	54.79	—	24.10	531.68	—	—	531.68	500.99
Buildings	7,887.65	943.16	3.74	1.04	8,826.02	216.97	2,271.90	6,554.12	5,832.56
Plant and Machinery	89,888.92	4,008.25	47.44	5,616.07	88,233.66	4,375.09	35,824.56	52,409.10	56,861.01
Furniture & Fittings	814.51	79.37	—	5.41	888.47	48.48	618.54	269.93	240.23
Vehicles	1,315.23	276.19	—	47.75	1,543.66	115.24	622.70	920.96	776.64
TOTAL	100,407.29	5,361.74	51.17	5,694.39	100,023.49	4,755.79	39,337.70	60,685.79	64,211.45
Previous Year	100,643.34	1,544.51	1,163.99	616.56	100,407.29	4,892.71	36,195.85	64,211.45	68,948.88

Notes :

1. See Note "B-2 & 10" of Schedule "N".
2. Buildings include Rs. 523.06 lacs being cost of ownership flats and office accommodation in Co-operative Societies and a Limited Company against which the Company holds shares of the face value of Rs. 0.77 lacs in Co-operative Societies and the Limited Company.
3. 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.
4. Land, Building and Plant and Machinery located at Sahupuram Works (other than PVC Division) were revalued on 31.03.1993.
5. The Company exercised the option to purchase 793.39 acres of land leased by the State Government at Sahupuram works. Assignment deeds in respect of the said land are yet to be executed by the State Government in favour of the Company.





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FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE – “F”

INVESTMENTS (AT COST)

I. LONG TERM :

In Govt. & Trust Securities Unquoted

7 years National Savings Certificates

1,000 10 0.10

1,000 10 0.10

In other Companies – Non-Trade (Unquoted)

The Dhrangadhra Peoples Co-op Bank Ltd.

25 10 *250

25 10 *250

In other Companies – Non-Trade (Quoted)

Fully paid Equity Shares

Global Trust Bank Ltd.

10 19,000 1.90

10 19,000 1.90

LIC Housing Finance Ltd.

2 87,000 10.44

10 17,400 10.44

12.34

12.34

Less : Deminution of value in shares of
Global Trust Bank

19,000 1.90

19,000 1.90

10.44

10.44

II. CURRENT INVESTMENTS :

Fully paid Equity Shares

Tata Consultancy Services Ltd.,

Reliance Industries Ltd.,

(Previous year Reliance Petroleum Ltd.,)

1 12 0.03

1 6 0.03

10 3,504 16.82

10 3,504 16.82

16.85

16.85

MUTUAL FUNDS

Principal Mutual Fund – Monthly Income
Plan – Dividend Pay out monthly

— — —

10 500,000 50.00

—

50.00

Less : Deminution of value in Principal
Mutual Fund

—

1.18

—

48.82

TOTAL

27.39

76.21

* Figures Denote Amount in Rupees

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
Aggregate Value of long term quoted investments	196.14	151.73
Aggregate Value of current quoted investments	36.81	36.57
TOTAL	232.95	188.30
Aggregate Value of unquoted investments	5.10	5.05
Market Value of quoted investments	232.95	189.48



Schedules

FORMING PART OF THE CCONSOLIDATED BALANCE SHEET

SCHEDULE – “F” (Contd...)

Investments Purchased & Redeemed / Sold during the year :

I. MUTUAL FUND UNITS :

	Face Value	No. of Units
1478 ICICI Prudential Ultra Short Term Premium Plus – Daily Dividend	10	9,232,229
1564 ICICI Prudential Liquid Super Institutional Plan – Daily Dividend	100	2,955,485
1524 ICICI Prudential Flexible Income Plan Premium – Daily Dividend	100	284,078
LIC Nomura MF Liquid Fund – Daily Dividend Plan	10	150,819,418
LIC Nomura MF Savings Plus Fund – Daily Dividend Plan	10	52,391,681
LIC Nomura MF Income Plus Fund – Daily Dividend	10	500,180
Cash Management Fund Dividend Reinvestment Daily	10	501,554
Principal Monthly Income Plan – Dividend Payout Monthly	10	450,625
SBI – Magnum Insta Cash Fund – Daily Dividend Option	10	298,534

SCHEDULE – “G”

INVENTORIES

(As Certified by the Management)
(Refer Note A-10 of Schedule ‘N’)

	As at 31.03.2011 Rs. in lacs	As at 31.03.2010 Rs. in lacs
Stores, Spare Parts, Fuel (Including in Transit)	4,880.60	5,867.88
Packing Materials (at or below cost)	63.20	72.86
Mercury on hand & in process	—	—

STOCK-IN-TRADE

Raw materials on hand & in transit	5,321.70	6,036.45
Finished Goods	2,298.01	2,819.14
Stock in process	83.91	107.00
Packing Drums & Scrap	28.50	44.95
Coke dust, Gypsum	41.13	42.54
Shares (Refer Statement below)	8.58	8.58
TOTAL	12,725.63	14,999.40



Schedules

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	31 st March, 2011			31 st March, 2010	
	Face Value per Share/ Rs.	No. of Shares	Amount Rs. in Lacs	No. of Shares	Amount Rs. in Lacs
Investments in shares (Stock in Trade)					
Quoted :					
Reliance Industries Ltd.	10	1,122	0.44	1,122	0.44
Reliance Communication Ltd.	5	553	—	553	—
Reliance Infrastructure Ltd.	10	41	—	41	—
Reliance Power Ltd. (Previous year Reliance Natural Resources Ltd.) Face value of Rs. 5 each)	10	138	—	553	—
Reliance Capital Ltd.	10	27	—	27	—
Grasim Industries Ltd.	10	700	2.01	700	2.01
Ultratech Cements Ltd.	10	400	—	—	—
Ranbaxy Laboratories Ltd	5	5,426	5.60	5,426	5.60
Reliance Industrial Infrastructure Ltd.	10	1,900	0.19	1,900	0.19
Indian Telephone Industries Ltd.,	10	3,400	0.34	3,400	0.34
TOTAL			8.58		8.58

	As at 31.03.2011 Rs. in lacs	As at 31.03.2010 Rs. in lacs
SCHEDULE – “H”		
SUNDRY DEBTORS (UNSECURED UNLESS OTHERWISE STATED)		
a) Over 6 Months		
Considered good (Secured)	30.00	30.00
Considered good	539.84	699.31
Considered doubtful	266.12	276.47
b) Other Debts (considered good)	9,793.00	9,349.60
c) Claims against Insurance, Railways, Custom etc.	106.83	93.69
	10,735.79	10,449.07
Less : Provision for doubtful debts	266.12	276.47
TOTAL	10,469.67	10,172.60



Schedules

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31.03.2011 Rs. in lacs	As at 31.03.2010 Rs. in lacs
SCHEDULE – “I”		
CASH AND BANK BALANCES		
1. Cash on hand	10.40	3.78
2. Cheques, Stamps, Hundi papers on hand	0.06	0.06
3. Balance with Scheduled Banks		
a. in Current Account	125.87	168.63
b. in Fixed Deposits (Pledged with Bank as Margin Money)	61.59	3.07
4. Post office Savings Deposit (Pass Book Pledged with Central Excise Department)	0.01	0.01
5. Balance with Dhrangadhra People’s Co-op Bank Ltd.(Maximum amount outstanding Rs. 0.02 lacs)	0.02	0.02
TOTAL	197.95	175.57
SCHEDULE – “J”		
LOANS AND ADVANCES (Unsecured, Considered Good)		
Advances recoverable in cash or kind or for value to be received (Including advance for capital items)	1,860.07	1,218.90
Inter Corporate Deposits – Considered Good	—	0.10
Staff loans	75.36	60.18
Electricity and other Deposits	180.36	290.98
Balance with Customs,Central Excise etc.	5,359.33	4,082.73
TOTAL	7,475.12	5,652.89
SCHEDULE – “K”		
LIABILITIES		
Acceptances against Letters of Credit	19,451.31	13,926.66
Dues of Micros and Small Enterprises	28.56	29.42
Sundry Creditors Other than dues of Micros and Small Enterprises (Includes liabilities for Capital Items Rs. 1036.77 Lacs)	4,529.47	8,312.58
Advances from customers and consignees	2,110.03	1,929.39
Trade and Other Deposits	414.64	502.17
Unclaimed Dividend #	55.83	47.13
Unclaimed Public Deposit Monies #	0.04	0.04
Other Liabilities	691.25	583.67
Interest accrued but not due on Loans	183.92	172.52
TOTAL	27,465.05	25,503.58
# These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.		



Schedules

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE – “L”

PROVISIONS

	As at 31.03.2011 Rs. in lacs	As at 31.03.2010 Rs. in lacs
Proposed Dividend – Equity	706.16	706.16
Tax on Dividend	114.56	120.01
Provision for Tax (net off Advance Tax and Tax Deducted at Source)	244.61	36.22
Provision for Retirement & Other Employees Benefits	592.55	817.05
TOTAL	1,657.88	1,679.44

SCHEDULE – “M”

A. CONTINGENT LIABILITIES NOT PROVIDED FOR :

1 Disputed Sales Tax Demands	1,259.03	1,387.02
2 Disputed Excise Demands	299.99	326.01
3 Disputed Customs Demands	159.61	159.61
4 Disputed Income tax Demand (Paid Rs. 80 lacs against the demand and appeals pending before the appellate authority)	—	190.85
5 Company's contribution to ESI not made pursuant to petitions for exemption pending before High Court.	87.36	87.18
6 Lease Rent, Local Cess, Octroi, Interest on Octroi, Surcharge, Stamp Duty, Water and Electricity duty.	2,230.14	2,238.95
7 Disputed Industrial relations matters	445.90	417.09

B. CLAIMS NOT ACKNOWLEDGED AS DEBTS :

	80.00	—
TOTAL	4,562.03	4,806.71

C. GUARANTEE AS A MEMBER OF THE ALKALI MFRS. ASSN. (A Company Limited by Guarantee)

	Rs. 500	Rs. 500
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Schedules

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE – “N”

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIALS FOR THE YEAR ENDED 31ST MARCH, 2011.

A. SIGNIFICANT ACCOUNTING POLICIES :

1. NATURE OF OPERATIONS :

DCW Limited [“Parent Company”], a public limited company, together with its subsidiary, operates as an integrated Chemical Manufacturing organization.

The Parent Company’s shares are listed for trading on the National Stock Exchange and the Bombay Stock Exchange in India and its Global Depository Receipts [covering equity shares of Parent Company] are listed on the Luxembourg Stock Exchange.

2. BASIS OF PRESENTATION :

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

3. PRINCIPLES OF CONSOLIDATION :

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

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

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

4. SYSTEM OF ACCOUNTING :

A. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.

B. The financial statements have been prepared in all material respects with accounting standards as notified in the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

C. Financial statements are prepared on historical cost basis and as a going concern, adjusted for revaluation / diminution in value of certain fixed assets.

5. USE OF ESTIMATES :

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

6. FIXED ASSETS AND DEPRECIATION :

A) Fixed Assets :

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



Schedules

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

B) Depreciation and Amortisation

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

- a) On assets revalued at Sahupuram Unit on 31-3-93 @ 3% on the revalued cost based on revision in useful life estimated by the valuer (Refer Note B2).
- b) On balance fixed assets of the company at rates specified in Schedule XIV to the Companies Act, 1956 on the original cost.
- c) On fixed assets added/disposed of during the year, on pro- rata basis with reference to the month of addition/disposal.
- d) On Technical Know-how fees at 33.33%

7. REVENUE RECOGNITION :

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

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

8. EXPENDITURE DURING CONSTRUCTION AND ON NEW PROJECTS :

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

9. INVESTMENTS :

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

10. INVENTORIES :

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

11. ACCOUNTING FOR CENVAT AND SERVICE TAX CREDITRS :

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

12. FOREIGN CURRENCY TRANSACTIONS :

- a) Transactions in Foreign Currency are recorded at the exchange rates prevailing on the date of Transactions.
- b) Monetary items denominated in foreign currencies (such as cash receivables, payables, etc.) outstanding at the year end, are translated at exchange rate applicable as of that date.
- c) Non-monetary items denominated in foreign currency (such as investments, fixed assets, etc.) are valued at the exchange rate prevailing on the date of transaction.
- d) Any gains or losses arising due to exchange differences at the time of translation or settlement are accounted in the Profit & Loss Account, except as indicated in Note B-10 below.
- e) Premium/discounts on forward exchange contracts are amortised over the life of the contract and recognised in the Profit and Loss account, exchange differences on such contracts are recognized in the profit and loss account in the reporting period in which the exchange rates change.



Schedules

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

13. RESEARCH & DEVELOPMENT EXPENDITURE :

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

14. BORROWING COSTS :

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

15. EMPLOYEE BENEFITS :

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

16. PROVISIONS & CONTINGENCIES :

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

17. TAXES ON INCOME :

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income tax Act, 1961. Deferred tax is recognised for all timing differences, subject to consideration of prudence, applying the tax rates that have been substantially enacted by the Balance Sheet date.

18. IMPAIRMENT OF ASSET :

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

B. NOTES FORMING PART OF ACCOUNTS :

As per standalone accounts of DCW Ltd. & DCW Pigments Ltd.

Signature to Schedule "A" to "N"

As per our Report attached

For **V. Sankar Aiyar & Co.**
Chartered Accountants

S. Venkatraman
Partner

Place : Mumbai
Dated : 16th May, 2011

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director
Pramod Kumar Jain
Bakul Jain
Managing Directors

Vimal Jain
Sr. Vice President (Finance)

Sodhsal Singh Dev of Dhrangadhra
Dr. V. H. Joshi
R. V. Ruia
Directors



Schedule

FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE – “1”

SALES (less Rebates and Trade Discount but including excise duty)

	For the year ended 31.03.2011 Rs. in lacs	For the year ended 31.03.2010 Rs. in lacs
Direct Sale *	69,839.56	73,949.80
Consignment Sales	28,873.03	25,468.44
Export Sales #	15,333.93	9,691.78
Other Sales *	515.41	465.59
TOTAL	114,561.93	109,575.61

* Includes Sale of Traded Goods Rs. 93.84 Lacs. (Previous Year Rs. 16.59 lacs)

Includes exchange fluctuation (Loss) / Gain of Rs. 14.92 Lacs. Previous Year Rs. (285.53) Lacs

SCHEDULE – “2”

OTHER INCOME

Profit on Sale of Fixed Assets	1,105.83	0.40
Unclaimed balance written back	9.96	12.16
Dividend received on current Investments	28.47	20.28
Dividend received on Long Term Investments	3.23	2.61
Bad Debts Recovered	10.34	—
Gain on Foreign Exchange Transactions (Net)	23.51	—
Miscellaneous Income	463.73	198.57
TOTAL	1,645.07	234.02



Schedule

FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE – “3”

MANUFACTURING AND OTHER EXPENSES

1. CONSUMPTION OF MATERIALS : RAW MATERIALS

Stock in hand and in process as at opening

Add : Purchases

Less : Closing stock in hand & in process
(including taxes duties etc.)

TOTAL

2. a. INCREASE / DECREASE IN STOCK :

Closing Stock :

Manufactured Products

Stock in process

Packing Drums and Scrap

Coke Dust & Gypsum

Stock of Traded Shares

Opening Stock :

Manufactured Products

Stock in process

Packing Drums and Scrap

Coke Dust & Gypsum

Stock of Traded Shares

Opening Stock – Closing Stock

Closing Stock Excise Duty

Opening Stock in Excise Duty

2 b. PURCHASES FOR RESAL (Net of stock of traded goods capitalised/written off)

Sub-Total

Includes Exchange fluctuation Loss / Gain of (Rs. 405.91 lacs)
Previous Year (1238.19 lacs)

3. SALARIES, WAGES & BENEFITS TO EMPLOYEES :

Salaries Wages

Contribution to Provident and other Funds

Employees' Welfare

TOTAL

4. POWER AND FUEL

	For the year ended 31.03.2011 Rs. in lacs	For the year ended 31.03.2010 Rs. in lacs
SCHEDULE – “3”		
MANUFACTURING AND OTHER EXPENSES		
1. CONSUMPTION OF MATERIALS : RAW MATERIALS		
Stock in hand and in process as at opening	6,036.45	5,038.07
Add : Purchases	69,164.31	55,300.15
Less : Closing stock in hand & in process (including taxes duties etc.)	5,321.70	6,036.45
TOTAL	69,879.06	54,301.77
2. a. INCREASE / DECREASE IN STOCK :		
Closing Stock :		
Manufactured Products	2,090.22	2,602.47
Stock in process	83.91	107.00
Packing Drums and Scrap	28.50	44.95
Coke Dust & Gypsum	41.12	42.54
Stock of Traded Shares	8.58	8.58
	2,252.33	2,805.54
Opening Stock :		
Manufactured Products	2,602.47	2,787.53
Stock in process	107.00	117.62
Packing Drums and Scrap	44.95	45.96
Coke Dust & Gypsum	42.54	44.07
Stock of Traded Shares	8.58	8.58
	2,805.54	3,003.76
Opening Stock – Closing Stock	553.21	198.22
Closing Stock Excise Duty	207.79	216.67
Opening Stock in Excise Duty	216.67	333.06
	8.88	116.39
2 b. PURCHASES FOR RESAL (Net of stock of traded goods capitalised/written off)	93.84	16.59
Sub-Total	655.93	331.20
# Includes Exchange fluctuation Loss / Gain of (Rs. 405.91 lacs) Previous Year (1238.19 lacs)		
3. SALARIES, WAGES & BENEFITS TO EMPLOYEES :		
Salaries Wages	4,238.63	4,128.19
Contribution to Provident and other Funds	310.77	486.97
Employees' Welfare	439.74	424.77
TOTAL	4,989.14	5,039.93
4. POWER AND FUEL	8,707.59	12,096.81



Schedule

FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	For the year ended 31.03.2011 Rs. in lacs	For the year ended 31.03.2010 Rs. in lacs
SCHEDULE – “3” (Contd...)		
5. OPERATION AND MAINTENANCE		
Repairs and Maintenance – Buildings	475.85	395.39
Repairs and Maintenance – Plant & Machinery	3,523.65	3,383.71
Repairs and Maintenance – Other Assets	191.76	253.12
Packing Charges	1,792.94	1,738.52
Other Operation & Maintenance Expenses	1,367.24	1,962.29
	7,351.44	7,733.03
6. ASSETS SOLD OR WRITTEN OFF		
Fixed Assets discarded, obsolete, written off	43.01	120.72
Less : Drawn from Revaluation Reserve	(2.10)	—
	40.91	120.72
Loss on Sale of Fixed Assets (Unserviceable etc. written off)	22.10	49.18
	63.01	169.90
7. ADMINISTRATION EXPENSES		
Rent	46.58	47.17
Rates, Taxes and licence fees	132.91	168.47
Insurance	240.04	277.09
Investments Written off	—	1.19
Wealth tax paid	5.15	4.55
Donation	4.61	42.46
Other expenses	1,304.12	1,247.22
	1,733.41	1,788.15
8. SELLING AND DISTRIBUTION		
Freight, Transportation, Loading and Other Charges (Net)	1,588.40	1,320.39
Commission to wholesalers/others	575.85	602.80
Cash discount	237.21	381.16
Octroi – Consignment Sale	3.07	2.13
	2,404.53	2,306.48
9 a. PAYMENT TO AUDITORS		
i.. Audit Fees	6.50	6.00
ii. Tax Audit	1.63	1.50
iii Representation in tax matters	—	0.40
iv Retainer fees	3.60	3.60
v. Other Services	2.15	1.80
vi. Reimbursement of Expenses	2.46	3.43
	16.34	16.73



Schedule

FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE – “3” (Contd...)

b. Details of Directors’ Remuneration under Section 198

i. Managing Director’s and Whole time Directors’ Remuneration :

	For the year ended 31.03.2011 Rs. in lacs	For the year ended 31.03.2010 Rs. in lacs
Salary	144.00	144.00
Perquisites on House	9.60	9.60
Gas, Electricity expenses	8.07	10.05
Company’s Contribution to PF	12.96	12.96
Leave Travel Concession	5.39	6.20
Medical Expenses	11.73	8.93
Company’s Contribution to Superannuation	16.20	16.20
Commission	36.00	711.72
ii. Directors Sitting Fees	1.43	1.58
	245.38	921.24
Less : Amount Capitalised	26.66	—
TOTAL	218.72	921.24
GRAND TOTAL	96,019.16	84,705.24

SCHEDULE – “4”

INTEREST AND FINANCE CHARGES

Fixed loans	2,373.70	3,198.24
Interest Others	178.65	109.93
Interest on Long Term Working Capital	77.81	—
Bank Charges	368.28	384.53
Exchange Loss on Forward Cover	189.58	206.00
	3,188.02	3,898.70
Less : Interest from banks & others (TDS Rs. 3.96 Lacs (Previous Year Rs. 6.34 lacs)	(141.30)	(28.61)
TOTAL	3,046.72	3,870.09

SCHEDULE – “5”

DEPRECIATION

Depreciation on Fixed Assets for the year	4,779.36	4,916.25
Less : Drawn from Revaluation Reserve	23.57	23.54
TOTAL	4,755.79	4,892.71

As per our Report attached

For **V. Sankar Aiyar & Co.**
Chartered Accountants
S. Venkatraman
Partner

Place : Mumbai
Dated : 16th May, 2011

Chital V. Shah
Asstt. Company Secretary

For and on behalf of the Board

Dr. Shashi Chand Jain
Chairman & Managing Director
Pramod Kumar Jain
Bakul Jain
Managing Directors

Vimal Jain
Sr. Vice President (Finance)

Sodhsal Singh Dev of Dhrangadhra
Dr. V. H. Joshi
R. V. Ruia
Directors

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Registered Office : Dhrangadhra – 363 315, Gujarat State

ATTENDANCE SLIP

72nd, Annual General Meeting at 10.00 A.M. on Thursday, 24th November, 2011.

I certify that I am a Member / Proxy for the Member of the Company.

I hereby record my presence at the Seventy-Second Annual General Meeting of the Company held at the Registered Office of the Company (at Guest House No. 2) at Dhrangadhra – 363 315, Gujarat State at 10.00 A.M. on Thursday, 24th November, 2011.

Proxy's Name

Member's / Proxy's Signature

(To be filled if the Proxy attends instead of the Member)

Note: Please fill in this attendance slip and hand it over at the Entrance of the Venue.



Registered Office: Dhrangadhra - 363 315, Gujarat State

PROXY FORM

I/We _____
of _____ being a Member/Members of
DCW Ltd., hereby appoint Shri. / Smt. _____
of _____ or failing him / her Shri. / Smt. _____
of _____ or failing him / her Shri. / Smt. _____
of _____ as my/our proxy in my / our absence, to attend and vote for me / us and on my/our behalf at
the Annual General Meeting of the Company to be held at 10.00 A.M. on Thursday, 24th November, 2011 at the Registered Office
of the Company at Dhrangadhra – 363 315, Gujarat State and at any adjournment thereof.

Signed this _____ day of _____ 2011.

DP Id* _____

Client Id.* _____

Regd. Folio No. _____

No. of Shares held _____

Signature _____

Affix
Re. 0.15
Revenue
Stamp

* Applicable if shares are held in electronic form.

Note: The proxy form must be deposited at the Registered Office of the Company at Dhrangadhra not less than 48 hours before the time for holding the meeting.



RIVERA SYSTEMS
22165034 / 22165035